

# THE FAR EASTERN REVIEW

## ENGINEERING FINANCE COMMERCE

PUBLISHER:  
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PATRICK GALLAGHER

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SHANGHAI, JULY, 1920

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No. 7

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# THE PHILIPPINES

## Historical.

Early Philippine history fades away into the history of Chinese foreign adventure and commerce, trading having been carried on between the two countries for a thousand years prior to the Spanish conquest.

Magallanes discovered the Philippines in 1521, about 100 years before the Pilgrim Fathers landed at Plymouth Rock. Spaniards settled Cebu, 1568. Legaspi occupied Manila, 1570. British captured Manila, 1762.

United States occupied Manila August 13, 1898. Treaty of Paris signed December 10, 1898. Filipino insurrection began February 4, 1899. First provincial government organized (Pampanga), February 6, 1901. First American Civil Governor, William H. Taft, July 1, 1901. Philippine Act passed July 1, 1902. Jones Act passed August 29, 1916.

## Geography.

The Philippine Archipelago extends from the Batanes Islands in the north to the Tawitawi group at the southern end of the Sulu islands, a distance of 1,152 miles. The archipelago is composed of 3,141 islands, of which 400 are inhabited.

## Area of Archipelago.

	Square miles.
Total area, land and water .. ..	832,968
Land .. ..	127,825
Water .. ..	705,115

## Comparative Areas.

	Square miles.
Philippines .. ..	127,853
British Isles .. ..	120,973
New York, New Jersey, Pennsylvania, and Delaware .. ..	104,970
Japan .. ..	147,649

Luzon islands is as large as Denmark, Belgium, and Holland combined. Mindanao is about equal in area to Portugal.

## Distribution of Area.

	Square miles.
Forest land .. ..	72,000
Commercial forest .. ..	61,000
Cultivated .. ..	14,000
Grass lands .. ..	20,000
Unexplored .. ..	14,000

Forest lands contain some 747 native tree species; 50 to the acre in some parts. Mindanao has 423 varieties. Over 200 varieties come to the Manila market. One-half of the forest land is virgin.

## Cultivated Land.

	Acres.
Rice .. ..	3,000,000
Hemp .. ..	1,236,000
Coconuts .. ..	680,000
Corn .. ..	1,070,000
Tobacco .. ..	145,000
Sugar .. ..	445,000
Magney .. ..	76,000
Cacao .. ..	2,600
Coffee .. ..	2,000

## Comparative Cultivation.

Japan and the Philippines: Japan with 14,000,000 acres of arable land produces crops to the value of Ps.2,000,000,000. Philippines with 7,000,000 acres produces only Ps. 200,000,000.

## Population.

Total from latest (1917-18) Philippine Health Service records: 9,500,000.

Christians .. ..	8,730,000
Mohammedans .. ..	275,000
Non-Christians and Pagans .. ..	595,000

Japanese .. ..	42,800,000
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## Progress of Population.

1735 .. ..	837,182
1805 .. ..	1,741,234
1826 .. ..	2,593,287
1840 .. ..	3,096,031
1862 .. ..	4,734,533
1887 .. ..	5,984,727
1896 .. ..	6,261,339
1917-18 .. ..	9,500,000

## Climate.

Average temperature for 30 years: 80° Fahrenheit. Dry temperate months: November, December, January, and February. Intermediate months: March, July, August, September, October. Hot months: May and June.

## Rainfall.

Maximum days of rain in July, August, September. Minimum days of rain in February and March. Dry season: November to May, inclusive. Wet season: June to October, inclusive. Typhoons: Frequent in July, August, September, and October.

## Mountains.

	Feet.
Apo .. ..	10,312
Pulog .. ..	9,450
Mayon .. ..	8,970
Halcon .. ..	8,865
Malindang .. ..	8,197
Canlaon .. ..	8,192
Ste. Tomas .. ..	7,418
Data .. ..	7,364
Banajao .. ..	7,382
Pagsan .. ..	7,339
Isarog .. ..	6,450
Pinalobo .. ..	6,137
Cristobal .. ..	5,288
Bulusan .. ..	5,100
Maquiling .. ..	4,783
Arayat .. ..	3,564
Talim .. ..	1,519
Taal .. ..	1,050

There are 50 volcanoes in the archipelago, of which 20 are active and 30 are extinct.

The principal active volcanoes are Taal, Canlaon, and Apo.

The principal extinct volcanoes are Talim, Maquiling, Cristobal, Banajao, and Isarog.

## Rivers.

	Miles
Grande de Pampanga .. ..	220
Pulangi, Mindanao .. ..	300

Other rivers of importance are the Agno Grande, Grande de Pampanga, Agusan, and Pasig. Mindoro has 60 rivers and Samar 26, none of them of commercial value.

## Real Estate Values.

[1 peso—\$0.50].

Manila .. ..	Ps.104,024,000
Provinces .. ..	392,180,000

## Mortality (Americans and Europeans) per 1,000 (1917-18).

Manila .. ..	8.0
New York .. ..	16.5
San Francisco .. ..	15.0
Chicago .. ..	14.0
Glasgow .. ..	18.0
Belfast .. ..	22.0

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報 時 THE FAR EASTERN REVIEW

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SHANGHAI, PEKING, TOKYO, MANILA, NEW YORK

JULY, 1920

# WILL MINISTER CRANE LEAD?



U.S. MINISTER CHARLES R. CRANE

## American Aircraft Coming to Asia

An Authorized Presentment  
of Manufacturers' Plans to  
do Big Business in China

## SOLVING PACIFIC PROBLEMS

Practical Points Stated by  
Mr. William Sproule and  
George Bronson Rea

Peking Comorants Would Wreck Mr. Lamont's Good Work in the Orient  
Status of the Chinese Financial Consortium

What Dr. Morrison Thought of the Shantung Squabble  
China, Alone, Discounted the Dollar

END THE ANTI-JAPANESE BOYCOTT!

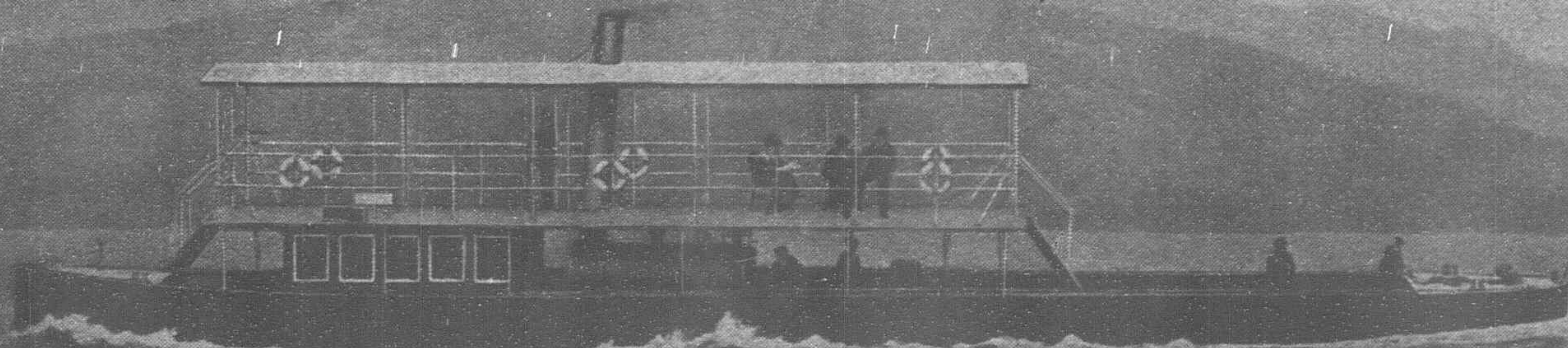
No War Between Japan and America

ENGINEERING FINANCE COMMERCE



SHALLOW DRAUGHT LAUNCH—YARROW SYSTEM,  
*built by*  
**YARROW & CO., L<sup>TD</sup>, Glasgow,**  
*(formerly of Poplar, London).*

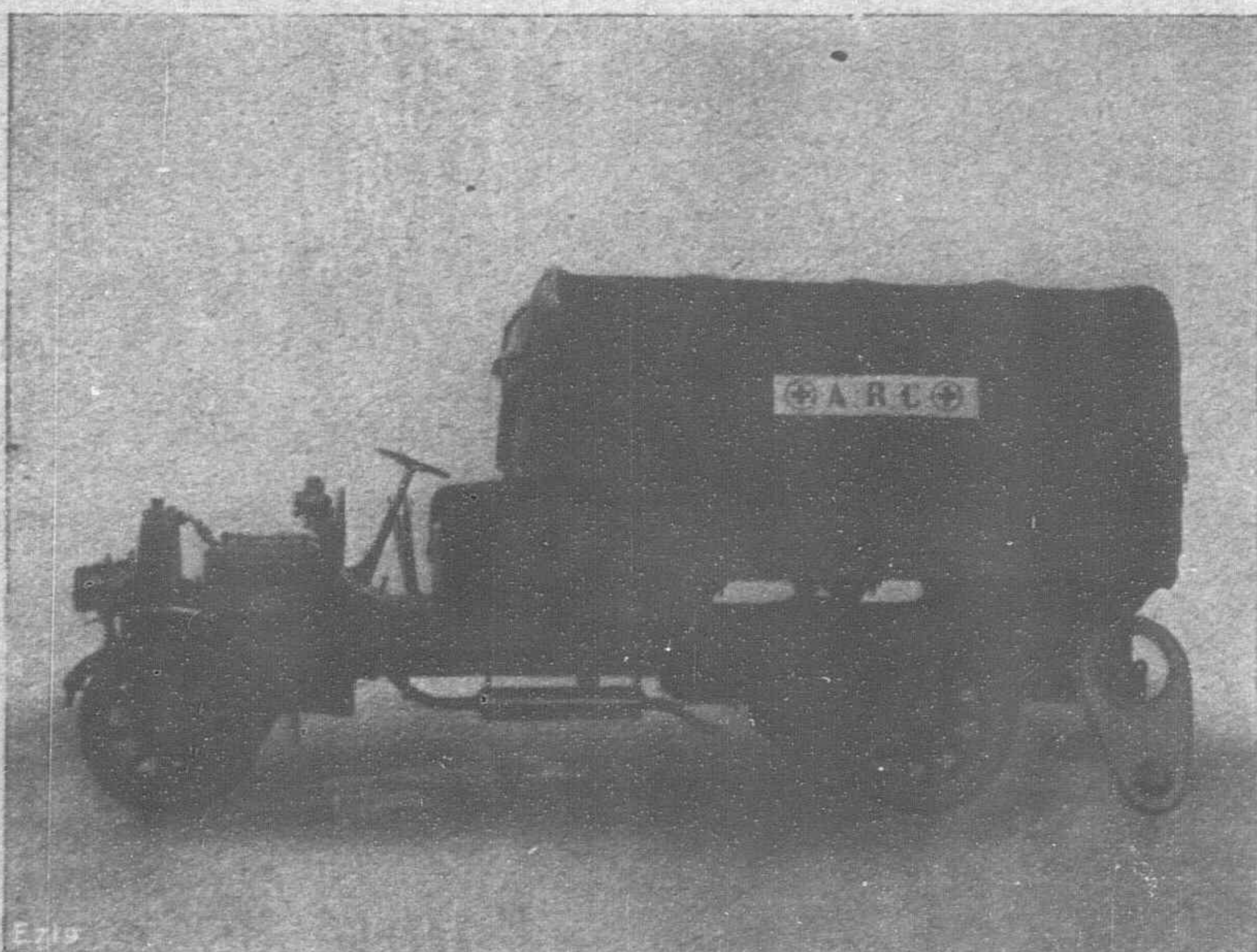
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**HONORABLE CHARLES R. CRANE**  
American Minister to China



# The Far Eastern Review

ENGINEERING

FINANCE

COMMERCE

VOL. XVI

SHANGHAI, JULY, 1920

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## From Sailor-Boy to Far Eastern Diplomat

The Picturesque Personal Story of Charles R. Crane, America's New Minister to China

How He Helped Navigate the Sailing Ship "Ventus" to Batavia and Entered Canton, Forty Years Ago, after the Historian, Bancroft, had Interested Him in Asia—His First Impressions and Experiences.—A Man of Simple Ways and Tastes, Born and Bred to Work—A Multi-Millionaire, he has Earned \$50.10 During the Past Five Years—Famous Crane Arabian Tale: It made Worried Wilson Laugh at Paris

HEIR TO GREAT AMERICAN OPPORTUNITIES, HE CAN ACCOMPLISH MUCH FOR CHINA, FOR AMERICA, AND FOR WORLD PEACE

By Patrick Gallagher

**O**n a Sunday afternoon, just forty years ago, a sturdy youth of twenty was walking along "the East India docks" of New York's East River, scanning the ships, drinking in the bright sunshine and the rich smells of the Orient, and smacking his lips on the tang of "blue waters"

that oozed from yearning seam and yawning hatchways. He had sailed, he has seen somewhat of the old world; the urge was on him to sail again and to see more. He noted the coy curves of the Java trader, *Ventus*, a full-rigged ship of one thousand tons, whose "Blue Peter" and cheerily busy winches and sailormen told him that she was about ready to cast off and to follow tug and tide downstream to be bride once more of wave and wind and bathe her newly-painted figurehead in the spray of old ocean and the surf off "the islands." These were the days when ships were still ships—neither dandified ferryboats nor floating godowns—when larboard and starboard were as yet unprofaned by such landlubber jargon as "left" and "right," when reef and tackle and clew, and the precise poise of a dolphin-striker, were matters of moment to old salt and young apprentice, when the lively lift of the chantey eased the strain on the rope and lads went aloft to to'gallant or royal to flirt with death and a screaming, flogging, flagging sheet, while the gale "blew great guns" and hungry waves broke in anger over the shrouds and "tops."

Our young man knew ships and sailors. He had made a voyage to London and home on the *Emerald Isle*. He had taken the rough with the smooth, aloft and alow, and learned the use of the sextant, how to plot a course and (what is more to

the point) how to sail to it. For more than four years, he had labored alongside the mechanics in his father's works at Chicago, not merely as a spoon-fed student captain of industry, but with these wage-earners and as one of them. So he was more at home with those who earn their bread by the sweat of their brow than with those who find their hardest

work in spending the unearned increment from the fruits of others' toil. He saw the mate smoking and smiling alongside the string-piece. He hailed him and, in response to the mate's motions, hove to.

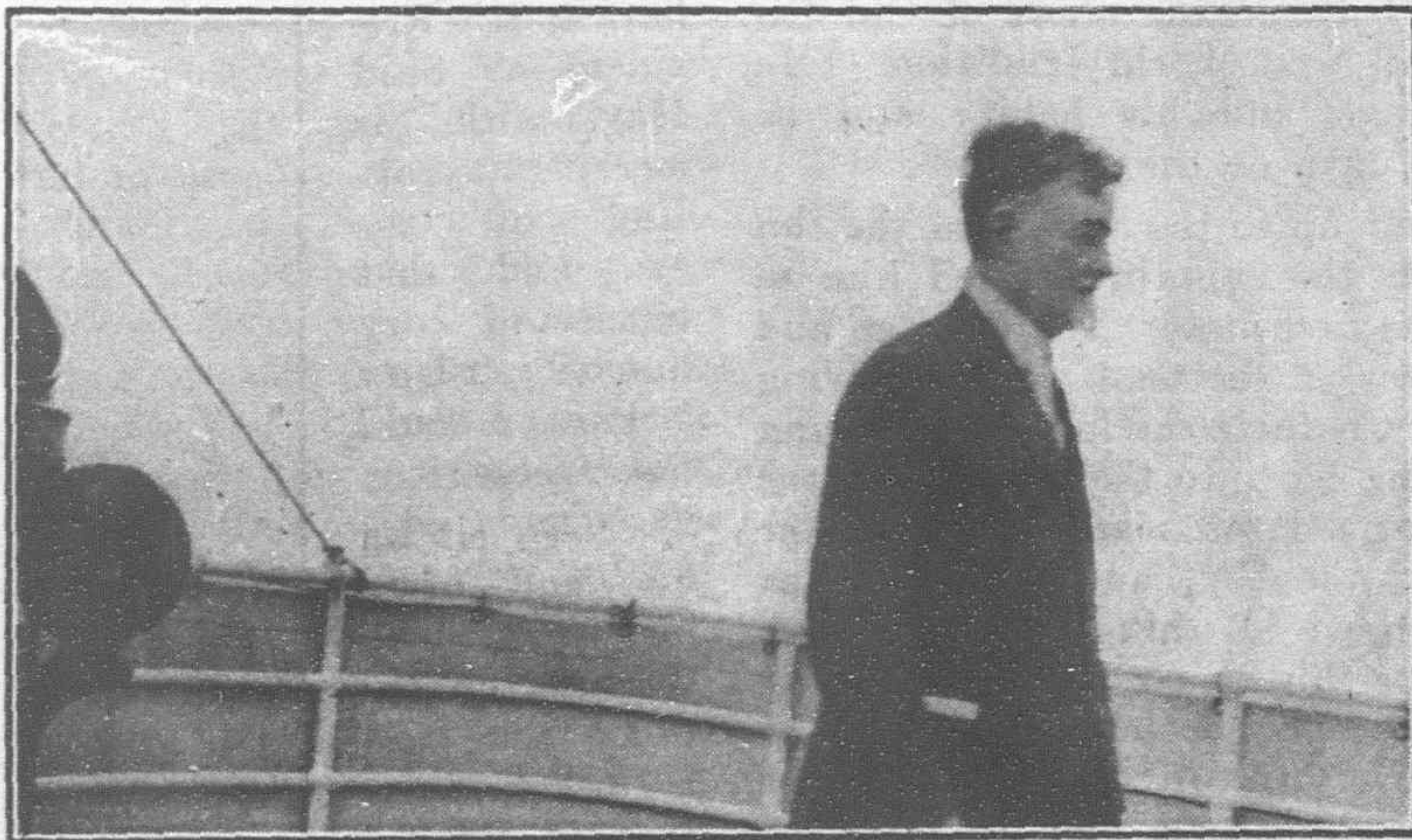
"That's a fine ship you've got," said the youth.

"Han'some she is, and han'some she does," admitted the pleased watch officer. Conversation grew apace as the mate found good anchorage in the eager, informed mind of the young saunterer. It was the second in command of the *Ventus* who suggested that the youth might enjoy a pipe and a

chat with the skipper, who was aboard and below in his cabin. The invitation was accepted and that led to the captain's plea that our young man should make the voyage with them to Java and back. The bid was spiced by the offer of a fine stateroom opposite the master's own room and as rich and well-thumbed a library of "yellow-backs" as ever tempted sailorman or schoolgirl.

### Quick to Decide

Now, the captain's visitor had come to New York from Chicago on business for his father, a pioneer in what is called "Big Business" in the United States of America. The father was a self-made man of that hardy stock that has done most to



Minister Crane Greeting China from the Bridge Deck of the C. M. S. "Nanking." Snapshot taken Specially for "The Far Eastern Review."





Talking About China

turn a wilderness into a wonderland of modern progress and modern plumbing, and modern pleasure. He had made his money by thinking just that little bit ahead of others and working just a little bit more wholeheartedly than the best of the most of them. He was not a man to encourage or to tolerate "soft-living" — especially in a favorite son. And the son was a chip off the old block. Proud and fond of his father, he knew when to be dutiful and just when to crinkle the

mouth of his dad by giving his own ship her head and full fairway. He had finished his business in New York and made quite a good job of it. He had pressing invitations from two school-friends, one at Yale and the other at Harvard, to run over and see the great boat race between the crews of Old Eli and those of the cloistered seat of New World erudition. He thought swiftly, as was his heritage and his habit; and he telegraphed dad that he was off to Java on the *Ventus*.

For four months, he gave himself up to the work and the fun of sailing. He did so well that the captain pressed him to stay with the ship and to sign on as first mate. The courage and good humor of the young adventurer in the teeth of the roaring forties, while they were running down their easting and clearing the Cape of Good Hope for the long leg into the trades and the doldrums of the Indian waters, warmed the heart of the master of the *Ventus*. He grew fond of the boy, and the boy was passionately fond of the sea. Above all things, however, this youth who might have been a famous shipmaster had a consuming aspiration to see and to know Asia. So he left the *Ventus* at Batavia the sailed onward on another ship to Canton. Now, that was the manner of the first coming to China and to Asia of Charles R. Crane who, on June 12 in this year of disillusionment, presented his credentials at Peking as the United States' Minister to the Chinese Republic.

Mr. Crane spent his twenty-first birthday in Asiatic waters. For forty years he devoted all his reserve time and thought to the study of Asia. He did that, as he does most things, in a systematic, seamanlike way.

### In Old Canton

First, he gave the top of the morning to the Orient in the orthodox manner of that older time. He entered by way of the Canton river. He spent three months studying the Chinese in Canton. He took a room in the only inn of the period—not very good, yet not very bad. Your real traveller never grows over peculiarities of accommodation. He learns to take things as they come, because (unlike the sweets) they may not come

around twice or, if they do, they may come a wee bit worse. Charles Crane did not complain; but kindly old Dr. Kerr, one of the great missionaries of those days, thought the young traveller would be more comfortable in his home and he gave him a room and the freedom of his modest but interesting library. Young Crane discovered a real gem among the neglected curiosities of Kwangtung literature—Archbishop Grey's "Walks in Canton." With this as his Baedeker, he set forth to know a real Chinese city, inside and out. He studied the people, their manners and motives, their arts and their wonderful faculty of getting the utmost out of the most trivial things of life.

"What was your chief impression of the Chinese?"

I asked Mr. Crane this question during one of our chats on the bridge of the good ship, *Nanking*.

"The toughness of their social fabric," said the new American Minister. "Their strength of character and sturdy devotion to principle. That impressed and pleased me, at once; and this first impression has never left me."

After saturating himself with the spirit of the Kwangtung metropolis, Mr. Crane went up the coast to Shanghai and visited the chief points of interest on the Yangtze. Owing to the time of the year and lack of modern inland transportation, Peking was not accessible. The river—the one avenue of approach, then, was ice-bound. So it was not until many years later—in 1918—that he had an opportunity to see North China and to study the different characteristic of the people of the northern provinces. Mr. Crane speaks in high appreciation of the reception that was given him during that more recent, but not more ultimately, important visit.

It was John Hay, the most many-sided American of our time—author of "Jim Bludso," "The Breadwinners" and poet-prophet of the Place de la Concorde, as well as proponent of the Hay Doctrine and protector of China—who cast at the greybeards of the Cosmos Club in Washington a little crumb of wisdom that other savants have kept from growing stale. The talk was about Garfield—the boy that was father to the man, and the man who was far greater than the fine soldier or much-harassed President. Said Hay, with his merry twinkling of the eye and that touch of dry humor that sickness could not freeze:

"To sit on one end of a log, with Jim Garfield on the other end, was a liberal education in itself."

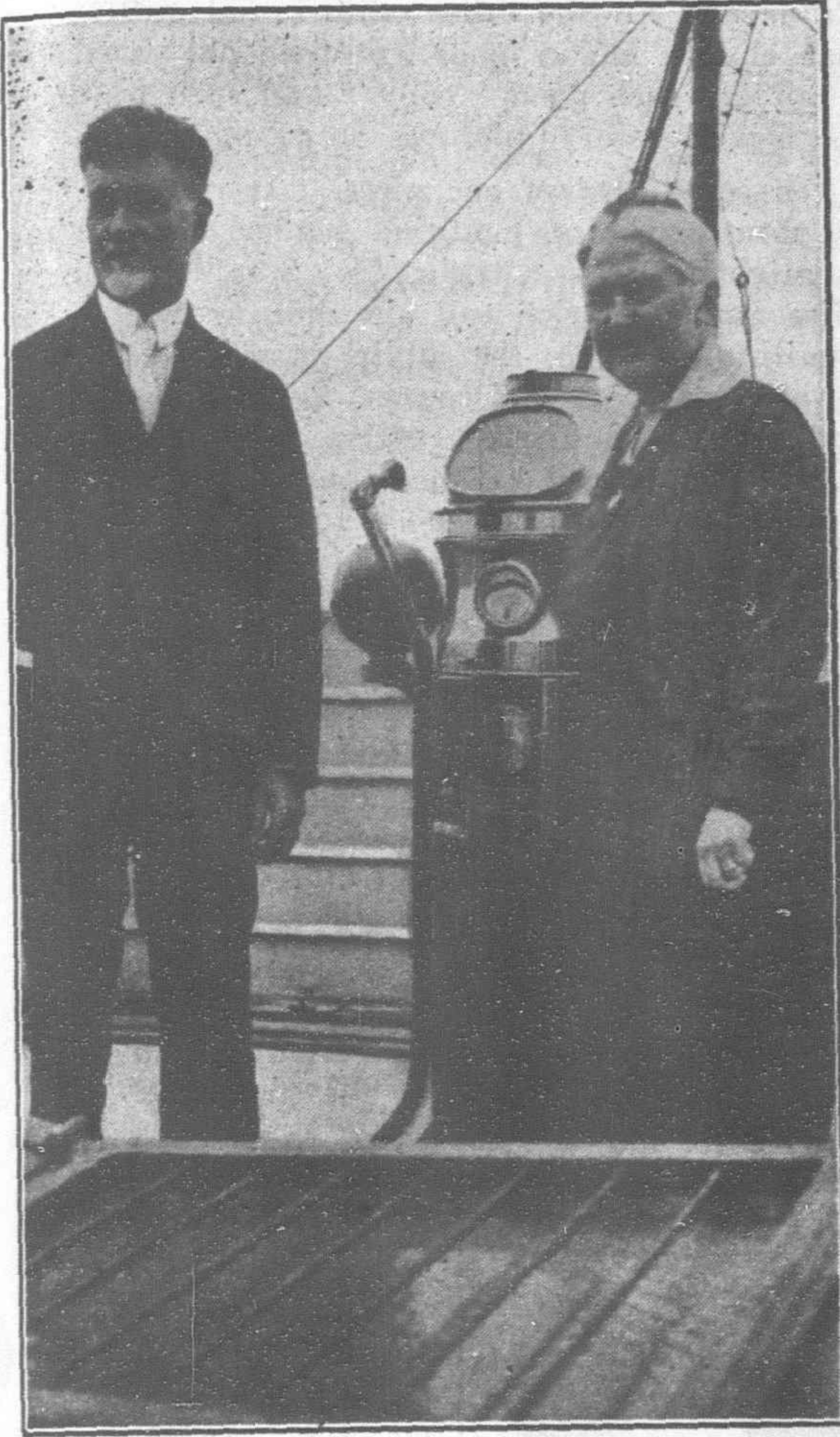
### His Deep Interest in Asia

During the greater part of my own life, Asia has possessed me as the Jinn possessed the sixth son of the baker of Bagdad. The things that come earliest last longest. Now, to



The Minister and Mrs. Crane





On the Bridge

sit, stand, or walk with Charles Crane and talk Asia is a very liberal education all along the line from Turkey to the Far East. His early studies of Russia were made deliberately for the purpose of getting the background of the Russo-Asiatic movement. Mr. Crane believes in beginning at the beginning, which is the proper place to begin. It encourages hope that, at last, we have a man in Peking who will be willing to look things right in the eye and to see things just as they are. When you see things as they are,

you know just where to begin tearing away and digging up, so that you may build something that will stand and not come toppling down on your head at the most awkward moment.

In order to get under the skin of Asia, Mr. Crane wrapped himself mentally and physically in the mantle of the Moslem world. One night, during our voyage across the Pacific, we induced him to tell us about his early travels. He took us to Bokhara and to Samarcand and made us acquainted with many curious things and people—notably one Nezour'din Hodja, a quaint philosopher of the old East who ought to find his way onto the pages of a book. And always there was a pithy point to each story. As a rule, occidentals who try to paint pictures of the East, on canvas, on paper or by word of mouth, miss the important something. As Mr. Crane says, this missing essential eludes the average occidental eye and mind. The chief charm about the new Minister's Asiatic anecdotes is the easy naturalness with which he brings out the very soul of his subject and lets it speak for itself. Story-telling is one of the very oldest, yet it is one of the rarest among the arts. After all, the great story-tellers have been few and far between. President Wilson's brother, Joseph, was noted as a teller of ticklesome tales. It was he who, in his schooldays, when Woodrow was beginning to be regarded as a bookworm, dashed off the limerick about "a wonderful bird is the pelican." Whether or not brother Joseph was responsible for the President's fondness for good stories, I am not in a position to say. I do know, however, that the chief protagonist of the League of Nations is an unusually good judge of a clever story; and I suspect that one of the reasons why Mr. Wilson and Mr. Crane get along so well together is because Mr. Crane is just chock-full of intensely amusing oriental tales, some of them far better than any that one can get in books.

An Arabian tale that, told by Mr. Crane, gave us a very hearty laugh, helped the President to smile through several of his saddest hours in Paris. It belongs to the Nezour'din Hodja series. That worthy was walking in his back garden, one evening; when, happening to look down into his well, he saw the bright reflection of the moon shining up at him from the water.

"Oh, the poor moon," lamented Nezour'din; "she has slipped and fallen into the well!"

So he got hold of a stick and set to work to pull the moon out of the water. He went at his task with such good will that he slipped over the brink and fell in. As he lay on his back, splashing about in the water, he saw the moon shining bravely down upon him.

"Heaven be praised, I did a good job," said Nezour'din. "Even if I fell in myself, I pushed the moon back with my stick."

There was point to that story, at the Conference of Paris.

Mr. Crane tells me that it was the historian, Bancroft, who first interested him in Asia. He made his friendship with Bancroft during early days in California. It was Richard Olney, however, who had most to do in shaping his desire to be of service to America in Asia. Always, before going away from the homeland or before embarking upon any serious purpose, he consulted Mr. Olney. So it came about that on the eve of his departure for Russia as a member of the Root mission, he spent a memorable evening with Cleveland's Secretary of State at the Olney home in Plymouth, Mass. "You must go, again, to China," Mr. Olney told him. A week later, the veteran statesman was dead. A year afterwards, Mr. Crane carried out his old friend's last suggestion.

### Born and Bred Among Workers

The new Minister to China was born in Chicago, in 1858, the eldest son of Richard T. Crane, founder of the Crane Company. He was educated in the Chicago public schools, entered the works of the Crane Company and learned the molding and machine trades like any ordinary shophand. Possibly this early association with toilers accounts for his genuine love for the common people. He understands them. His democracy is a real thing. There is no pretense about the man.

When we put into Yokohama, there was the usual muster of passengers for the statutory quarantine officer's inspection. A diplomat, of course, is immune from these and other regulations. Usually, your minister or ambassador sits in his stateroom with the ladies and gentlemen of his family, actual and official, and leaves the port rules to take care of themselves, vex the souls of the common herd, or else pass on to the demnition bowwows. Not so, Mr. and Mrs. Crane. They sat with us in the dining-room of the *Nanking* and took their regular turns in passing the port officers. And it was done naturally, just as a matter of course. All the way over the Pacific, the Minister and his really wonderful wife won all hearts by their charming simplicity and native kindness. Nothing about them pleased me



"Shooting the Sun"



more than that, because it has been my fortune, or misfortune, to travel with other high and low officials of our government who insisted upon making themselves amusing and their nation absurd in critical foreign eyes by foolish freaks of snobbery.

One of Asia's philosophers says that "the wise man chooses a young wife." Mrs. Crane was little more than twelve years old when her husband chose her from among all his girl friends. They were married seven years later. It is very evident that they are still sweethearts. With four sons and a daughter and eight grandsons and a grand-daughter, they must be very happy. A sweet clever American gentlewoman is the Minister's wife. She is certain to be very popular in Peking.

### Developed Huge Crane Business

After his first tour of the Orient, Mr. Crane returned to the Crane works and assisted his father to develop the huge business as it is to-day. For thirty years, he divided his time between the company, his family, and his other love, Asia. Since 1887, he has made over twenty visits to Russia. That reminds me of a characteristic story of the man.

He confessed to me, one afternoon, that he does not care for music; jazz, stage, or chamber. I liked that. I first began to understand and to respect the American temperament when I read Emerson's very sensible saying that, after all, one does not have to admire the great things. It is the genuine music-lover who can most readily appreciate the feeling that caused the English philosopher and critic to call music "the least objectionable of noises." One cannot have everything. Napoleon had absolutely no sense of humor, and Mr. Shakespeare's morals were admittedly even worse than those of Mr. George Moore. So Mr. Crane is to be forgiven his inability to rave over "The End of A Perfect Day" or Liszt's second rhapsody. He knows how to enthuse about other things.

Yet, it was non-musical Mr. Crane who discovered the sonorous grandeur of the Russian church music and imported it into the United States with the choir of thirty voices directed by Ivan Gorokhoff. That was in 1910. The singing of these Russians at the cathedral of St. Nicholas in New York City (the metropolitan church of the Orthodox faith in the United States) made a national sensation. Thither came devotees of choral harmony from every state in the Union, pilgrims of love who carried with them into numerous churches and sects the diapason note of the Muscovite mass. And the man who admits that he does not love music has sat for hours with his guests at Woods Hole, Mass., bathing his spirit in the waves of tonal poetry, as the choristers sang to them under the New England starlight.

Until 1912, Mr. Crane was vice-president of the Crane Company. In that year, he succeeded his father as president. He had aided materially in extending the scope of the concern, establishing many branch shops and giving the Crane products their world-wide reputation for substantial excellence. He impresses me as a very thorough man, very much interested in the task at hand. He retired from active business in 1915, but since then he has earned precisely \$50.10.

He made fifty dollars of the total sum all in one pile. He got a check for that amount from Dr. Albert W. Shaw for writing a very good article about Secretary Houston and his work for *The American Review of Reviews*. I noted that down against

Dr. Shaw, Mr. Crane and all the other editors and millionaire contributors. What chance has a poor professional scribbler when the editors can get such good "copy" and such toplineers at fifty dollars for a whole story, pictures or no pictures!

He made the ten cents also in one piece. It was a thin dime from a very stout party of feminine gender and African descent. She was alighting from a train. So was Mr. Crane. Manny had a valise and a hurried call elsewhere. She asked the nice-looking, smiling man in the plain tweed suit if he would watch her valise for her. Of course, he would and did. When she returned and retrieved her valise (and made sure that it was all right) she opened her heart and her purse and gave the man of millions and merry moods a nice new dime.

"What did you do with it?" I asked Mr. Crane.

"I thanked her and put it in my pocket," said the Minister. Very diplomatically done.

Since his retirement from business, he has devoted his time to educational and political pursuits, including the Marine Biological Laboratory at Woods Hole—fit hobby for a master mariner. He is president of that useful institution. Also, I very much suspect he is either the treasurer or the treasury. Another of his excellent, wholesome interests is the American College for Girls at Constantinople. He is chairman of the board of trustees of that justly celebrated Turkish academy and for several years he served as treasurer of the Armenian and Syrian Relief Committee of America.

### President Wilson's Friend

Mr. Crane was in China when the Germans sought and obtained the armistice. It is an open secret that he was "taking a look-see" for his personal and political friend, the President. Of course, the Chinese officials put their best feet forward and I know from personal knowledge that they had faith in the good heart and wise head of Mr. Crane. From Peking, he went to Paris and he did his best to lay before Mr. Wilson the Chinese



Mrs. Crane, Mr. Crane, Miss Dorothy Read and Mr. Donald Brodie

situation as he had viewed it. So far as I know, he was not aware of the existence of the Chinese Achilles' heel—the Hsu-Goto concordat of September 24, 1918. That was not his fault. It was merely the folly of the Peking camarilla. In the spring of 1919, he and Dr. H. C. King were appointed by the President as American members of the International Commission on Mandates in Turkey and he spent the months of June, July and August in Syria, Palestine and other parts of Turkey in Asia.

Mr. Crane has a great opportunity in China. Musing back over the musty pages of past history, research or memory do not suggest a parallel to the present Chinese chance of Charles Crane. Although among the mandarins who still manage to roost in the cotes of Kung and Li.

"The old gods are not yet dead," paltry are the difficulties of to-day compared with those surmounted by President Tyler's "Count" Caleb Cushing, President Lincoln's Anson Burlingame, or President Roosevelt's Rockhill. Burlingame, above all, made his own opportunities; and, by sheer force of his great heart and his personal magnetism, he brushed all his difficulties out of his way and gave China what might have been a good start. He began his remarkable service in China with no personal knowledge of the country or the people. Rockhill's solid work was built upon sound knowledge of the nation and its problems. Mr. Crane has the advantage of a rich Asiatic background, a good



head for facts, well-deserved popularity among the Chinese, personal unselfishness and sincerity, a real yearning for the public service, an engaging manner and the frankness that makes enduring friendships, and—what is most to the point—personal and political claims upon the White House that ought not to be lightly brushed aside. It is altogether too true that most of our diplomatic failures have been due to the lack of team-work and support at Washington. It is to be assumed that, despite his constitutional tendency to be captain, cook and cabin-boy, Mr. Wilson (who is above all things a patriotic American gentleman) will heed Mr. Crane if he will heed any man. That, in itself, is an advantage not to be sneezed at.

Mr. Crane is too sound a business man not to be able to gauge his disadvantages, actual, supposed, new and inherited. His nomination was seized upon greedily by the stormy petrels of the Pacific who, knowing no Far Eastern policy but that of embroiling the United States with other Pacific powers, sought to find in him the "white-haired boy" of their own parasitical fraternity. It depends upon his own acts and words, his own motions (to sue a sailor's phrase) whether his scythe shall come upon that hard and evil rock upon which our Far Eastern diplomacy has split since the *Tatsu Maru* affair and the deflection of the Chinese boycott of 1908. As the American Minister to China, he is the official and natural leader of the Americans in China. As such, it is his duty and I have no doubt that it will be his pleasure and privilege to lead the opinion of the Americans in China along useful American lines. He is entitled to unreserved support. He should not be handicapped by any wilful faction or clique. He will not be, if only he takes the bull by the horns and throws it before it can gore him.

### He Must Lead or Fail

He need not be unkind to any man, but he must be leader. He cannot afford to wear the collar that may be cut, sewn and starched for him by any man. I don't think that he will do that. If he does, then I shall have to confess myself a poor student of human nature; because I have seldom met a man in whom I have found more of the milk of human kindness, pleasantly spiced with good American "horse sense."

To serve one's country is the highest honor that can come to a good citizen. The present situation in the Far East calls for ability as well as for sincerity. Beyond everything else, it calls for willingness to concede the fact that we are not alone in the desire to help China. The Chinese have neighbors who merit our friendship and who very properly resent unjustified suspicion. If we are so short-sighted as to be deluded into building our Pacific policy upon suspicion, can we blame others if they return the compliment, pay us back in coin from our own mint, and regard us with suspicion?

I am very glad to say that, instead of regarding Mr. Crane with suspicion, the best minds in Japan—and the controlling minds, at that—are prepared, and eagerly, to give him a helping hand, to draw a straight line beneath the record of the last twelve years and to write under it the first entries of a new era of "friendship for all and malice towards none." So it is up to Mr. Crane to make good. I believe that he can succeed. I am quite sure that he wants to succeed, and that is half the battle.

During our voyage from San Francisco, I purposely refrained from questioning him as to his plans or intentions. If he asked my advice, I would say to him to keep his own counsel upon such matters until he has secured in advance the specific support of a tall and really lovable personage who lives (at present) on Pennsylvania Avenue and who enjoys listening to strange tales from the East. Yet, I could not refrain from asking him how he feels about getting to work as his country's plenipotentiary in the great land to which he sailed on the *Ventus*, forty years ago. The *Ventus* and the *Emerald Isle* both found their last berths in the deep, damp grave of ships, just a year after young Crane parted company with the Java trader's skipper at the Dutch port of Batavia. The captain died from a tropical fever on the homeward voyage. I fancy that Mr. Crane was

thinking of these old days, old aspirations, as he answered my leading question. Be that as it may, he said to me:

"I feel pretty good, and I still think Taft's Shanghai speech the best interpretation of American doctrine ever uttered. I have always been a Democrat. It was that speech that caused me to cast my first Republican vote in 1908. When Mr. Wilson was nominated in 1912, I was glad to be able to vote once more as a Democrat. I have found myself at all times in hearty sympathy with the President and his policies."

### A "Spook" Photograph

The Chinese are probably the most superstitious people on earth. During the past month there has been much excitement among the celestial community of Shanghai, because of the "weird" presentment shown on the accompanying "spook" photograph. The story is told as follows by the *North-China Daily News*:—

"An event is announced by the Chinese papers which appeals to the local mind as akin to spook photograph. The circumstances of the case are that, recently, two young men went for a stroll in Chapei, and when in the vicinity of a flour mill stopped to photograph a man. Upon developing the film they were thunderstruck to find not one but two images, and so impressed are they that many copies are to be printed for circulation abroad either as exhibits or for scientific research. It is possible that in a country such as this, where occurrences verging on the supernatural are from time to time reported, the amateur photographers have caught a spook bending, and



if so Sir Oliver Lodge and Sir Conan Doyle will welcome them with open arms. But judging from bitter experience of our own early days of photography, such cases are apt to happen over frequently. Neglect to turn the handle, and it is possible to have not two images where only one should be, but occasionally early days of photography, such cases are apt to happen over case under review, alleviated by mystery-stirring paragraphs of the kind quoted above."

### Canton Government Financially Pinched

A message from Canton states that the military government is at its wits' end to obtain sufficient funds to tide over the June settlement. The financial commissioner is offering 20 per cent. for a short loan, but there are no bidders. The market is glutted with worthless paper money put into circulation by the Kwangsi invaders.



# Status of the Chinese Financial Consortium

Peking Political Cliques Seeking Desperately to Undo the Good Work of Mr. Lamont

(Special correspondence of THE FAR EASTERN REVIEW)

**P**EKING, June 19.—Despite the good work of Mr. Thomas W. Lamont, of J. P. Morgan and Company, head of the American group of bankers, the Chinese Financial Consortium is still, like the coffin of Mahomet, "suspended between heaven and earth."

The plain truth of the matter is just this—upon one thing, alone, are the clashing Peking cliques of one mind, and that is the Consortium. They do not want it, because they see in it an end of the era of "divide and boodle."

Therefore, they are working desperately to reawaken suspicion between the American and Japanese participants. Every actual incident is magnified and their runners are coming and going all the time between the yaméns of the incorrigible corruptibles and the legations. Even those faction leaders who pretend to be in sympathy with the general plan of a bankers' pool are in fact secretly working against this or any other concerted arrangement. They would rather keep the graft in their own unclean hands. That is the size of it.

Your correspondent is in a position to state that a very satisfactory agreement was come to in Tokyo by Mr. Lamont, Mr. M. Odagiri and the other financiers and officials who took part in the conferences. Mr. Morris, the American ambassador, was a very material help. The attitude of the Japanese foreign office was most cordial and considerate. Things were made easy for Mr. Lamont, for the excellent reason that the big business men of Japan are determined to leave no stone unturned in order that a sound and real friendship may be created between their government and people and the American government and people. For that very reason, it was pointed out to Mr. Lamont that it would be most unwise to drive a hard bargain in either direction. The Japanese said in effect, "We shall show you that we want only fair play, that we are as anxious as you are to protect China; but you must not ask us to make sacrifices that you would not make were you in our place." That is a fact. Of course, the anti-Japanese *claque* still roosting in the legation compound here scoff and sneer at such suggestions. These poor creatures, blinded by passion and prejudice and hand-in-glove with the schemers of the Waichiaopu, are incapable of giving the Japanese credit for a single decent sentiment. If Minister Crane does not send them packing homewards, he will live to regret it. Already, they are casting their coils around him, after the manner of the boa constrictor, and if he is not careful he will wake up some morning to find himself crushed and helpless without a bone in his body that he can call his own.

The Japanese conceded to the Consortium the right to make loans, under certain restrictions, in Manchuria and Eastern Inner Mongolia. I understand that this concession was made in such a way that the major political questions involved were not touched by as much as a hair, one way or the other. It was a case of the big business minds of Japan winning the opposition within the Japanese government to a conciliatory position so that the enemies of Japan cannot say that "Japan blocks the way." Mr. Lamont, I am told, was sensible and businesslike. He was thinking all the time of the substance, leaving the shadows to the professional foolkillers.

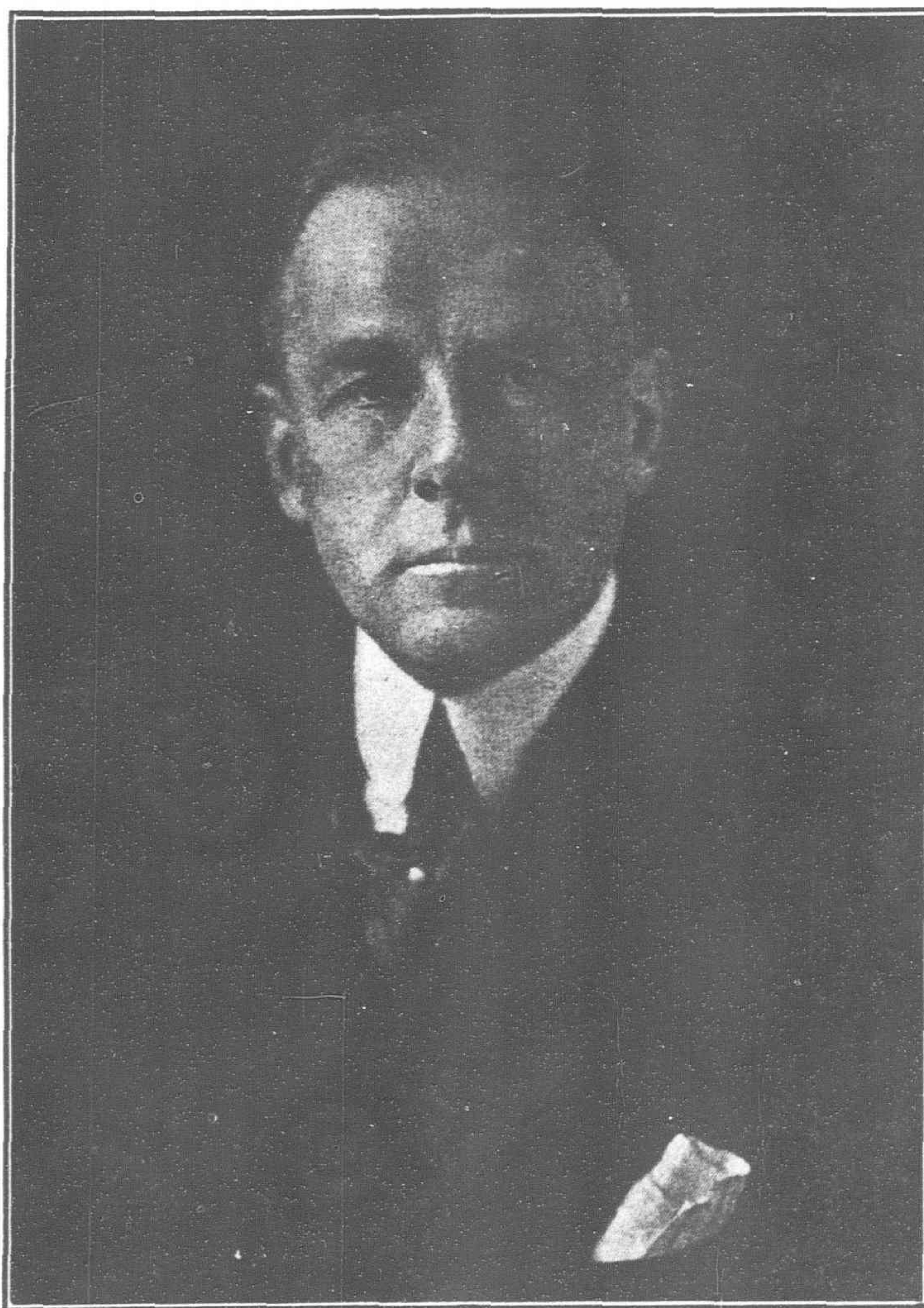
In response to this fair treatment, the American financial diplomat assented to the Japanese requirement that the railways in Manchuria and Eastern Inner Mongolia should not come under the Consortium. It was agreed that all main, branch and feeder lines within this excluded region should remain in the hands of the present concessionaires.

This point having been settled, the Japanese *conféres* assented to Mr. Lamont's proposal that the line from Taonanfu to Jehol, and thence to an unspecified point on the coast, should be pooled and form a part of the contemplated general Chinese railway system. That was a very big victory for good sense, for Japanese magnanimity, for Chinese sovereignty and for the Wall Street diplomat.

That tells the story of the Tokyo conferences. A foundation was laid for good feeling between Japan and America and for real reconstruction in China. Then, Mr. Lamont, accompanied by Ambassador Morris and Mr. Frank Vanderlip, set sail for the United States.

The Pekingese put their noses together. They did not like the prospect a little bit. They set to work to concoct trouble. In making mischief, they seem to have been assisted by the inevitable tomfool, fifth-rate Japanese official.

Mr. Crane was just arriving in China when the new *entente* was established between Japan and America. Common-sense and courtesy required that the Japanese should miss no points in winning the good will of the new minister, who has some knowledge of and much friendship for China and little, if any, knowledge of Japan. The mere fact that Mr. Crane may have got the wrong perspective of Japan would be all the more reason why wideawake Japanese officials should have made it their business to see that the new American Minister should have basis upon which to build a better impression of the Japanese and their ways. Now, I fear that Mr. Crane was given cause to suspect the Japanese official machine. There was, I understand, unwarrantable interference with an important dispatch sent from the American embassy in Tokyo to the American legation in Peking.



Mr. THOMAS W. LAMONT

The American Financial Diplomat who did much in Tokyo to Usher in a New Era of Japanese-American Harmony. Photo by Underwood & Underwood



The Japanese may not be at fault. The fault may lie in other directions. In that case, it will be well to air the matter thoroughly and place the responsibility where it belongs. There is not the least doubt in the world that many sinister forces are working against Japanese-American harmony in Peking, and Mr. Crane impresses your correspondent as a man who could be depended upon to jump upon such mischief-makers with both feet once conviction came to him that Japan was not getting a square deal. The Japanese government must see to it that their officials take the lead in giving Japan a square deal. Talk will not serve.

Regarding the reported Italian railway concession, the least said the soonest mended. The Italians are after concessions. They are working hard to secure a footing in the Consortium and to attain other ends. The Rome-Tokyo flight was an aerial advertisement of plans set afoot at Rome and Paris, eighteen months ago. They may come to something or nothing—possibly something but probably nothing. The Chinese go-betweens of the Italians are known and each move that they make is swiftly carried to the legations and carefully cabled home. There is quite a story here, but it is another story and cannot be told just now in all its bearings.

Those two good friends and honest haters, Mr. Obata and Dr. Tenney are still members of our little family. They are as cordially fond of each other as ever and the atmosphere of the legation quarter exudes the perfume of their brotherly love. Well, the "dog days" are upon us and even the perky Pekingese should have his day. Why shorten the days of these two liveliest barkers of them all?

Sir Beilby Alston is going home to England on a well-deserved vacation. Everybody is sorry to lose him, even for a little while and for very good reason. Blessed are the British. Small wonder that they are in danger of inheriting the earth. They pick their diplomats carefully and treat them decently. In this, as in most other matters, they exercise their brains.

## Packard Motors Export Corporation

President Alvan Macauley of the Packard Motor Car Company has announced the incorporation of the Packard Motors Export Corporation, which will hereafter control the Packard business throughout the world, with the exception of the United States and Canada. The organization of this new company is in accordance with Packard's plans as an international institution, and follows the world trade program now being carried out by many of America's greatest commercial institutions.

The presidency of the Packard Motors Export Corporation is held by Alvan Macauley, president of the parent company. The active management falls to Col. Fred Cardway, who has been elected Vice-President and General Manager, with his headquarters at 1861 Broadway, New York.

Col. Cardway, the man who is primarily responsible for the upbuilding of Packard's world trade, has been called by newspaper men "the world's greatest business diplomat and psychologist." Under his direction the name Packard has been made famous the world over.

"The basis of success," says Col. Cardway, "whether here or abroad, must be reciprocity. Merchandising means exchange. It is necessary to realize that every human being, no matter where his home is, is ultimately selfish and is on the lookout for his own interest.

"Consequently, as a manufacturer we must first consider the other man's,—the dealer's and the customer's standpoint. Compared with similar products the one we offer must carry with it a very pronounced appeal, not only as an article of individual merit, but from an investment standpoint to dealer and consumer alike.

"No manufacturer, who is in business to stay, has a license to sell product or accept an order if he is not sure that the distributor will derive sufficient returns from the money invested in the manufacturer's product, and the ultimate consumer receive the article in proper condition at a reasonable price.

"We rigidly maintain the above principles, and I feel that the greater part of our success abroad is due to our common sense

business methods and our endeavor to understand the psychology of the man with whom we are trying to do business.

"Competition is the greatest business stimulant. It keeps us awake and constantly on the alert.

"If a product is different and has merit, its manufacturer will always be able to maintain his own. Irrespective of the fact that Europe produces numbers of motor vehicles selling at about the same price as Packard, we shall extend and maintain our organization abroad on the same successful basis as in the United States.

"We are producing a vehicle built for a specific purpose, born of America's greatest engineering genius. It is not a mere 'Automobile.' Packard is a distinct unit, a speciality in the transportation field and a distinct contribution to civilization, like the gasoline motor, the telephone, the airplane, or any other engineering triumph."

## "With all its Birthmarks"

(From The Washington (D.C.) Post, May 9, 1920).

Cable advices state that a complete agreement has been reached between Japan, Great Britain, France and the United States for a consortium of these powers to finance internal improvements in China. The total amount of money to be loaned is not yet determined, but it has been agreed that groups of bankers from each of the four nations shall from time to time advance sums needed upon terms approved by their respective governments, and that the first loan of \$50,000,000 for railroad construction soon will be made.

Thus that child of the Taft régime, known as dollar diplomacy," is brought back from the political orphanage and installed in the good graces of this administration. The Chinese consortium, aided and approved by Philander C. Knox as Secretary of State, was just at the point of realization when Mr. Wilson became President in 1913, and William J. Bryan succeeded Mr. Knox in the Department of State. It represented in concrete form the new policy for the extension of American financial and business interests which had been dubbed "dollar diplomacy" and it was immediately marked for banishment.

Secretary Bryan unsparingly denounced it as an attempt to use the government as a collecting agency and to guarantee the operations of financial interests, and the infant in which so many hopes centered was relegated to the limbo of rejected plans. The United States withdrew from the consortium, the project faltered and eventually the advent of the war caused its abandonment for the time.

Now it has come back, apparently as promising and healthy as ever, and is restored to favor in the Department of State. Its objectionable name has been lost, but it is the same child, with all its birthmarks and other identifying characteristics. Breckinridge Long, Third Assistant Secretary of State, has been conducting the negotiations for the American bankers, and Thomas W. Lamont, partner in the banking house of J. P. Morgan & Company, is now in the Orient representing the American group. It might be added that Mr. Bryan, who ruthlessly banished the youngster from his doorstep, is enjoying the privileges of private life, while Mr. Knox, its proud parent and whose faith in it has never faltered, is active in the Senate. The cycle of the years works kaleidoscopic changes.

## British Peer Would Bar Japanese

In the House of Commons, on May 18, Viscount Curzon, member for South Battersea (who should not be confused with the famous authority on Asia who is now British Foreign Minister) suggested that steps be taken immediately to prevent Japanese buying and owning land in British crown colonies, unless a similar concession is extended to British subjects in Japan.

Mr. Leopold Amery, parliamentary undersecretary for the colonies, replied that it is not considered there is sufficient reason for the action suggested, and that according to information in possession of the government, the question of the revision of the land laws of Japan is apparently, under consideration.



# The United States in the Pacific

Patience, Courage and Special Training the Three Qualities Needed by American Merchants in Order to Expand Commerce with the Orient and to Solve the Pacific Problem

By WILLIAM SPROULE, President of the Southern Pacific Company

**W**E, of California, are a people somewhat set apart because of the Pacific Ocean on one side and the Sierra Nevada mountains on the other. We are in a strip of territory Heaven has favored with a climate unlike that of any other

on the continent. It has been said that Quebec is a bit of medieval Europe dropped into North America. It may also be said that California is a bit of the Mediterranean dropped into the American continent. And so perhaps we, in our daily relations, may have something of the parochial mind, but in the affairs of the world we are sufficiently aloof to be able to look at them with possibly more breadth of mind than some who are differently situated, and can readily realize that California has as yet but touched the hem of the great garment of promise with which the future of the Orient is clothed.

In our treatment of the Pacific problem, there is one thing of which our friends of China and Japan and the nations of the Pacific, on both sides, can be certain, and that is that we have a country big enough, with resources enough, to warrant that there is in our minds no thought of territorial exploitation. In treating with us they can feel that they are in the house of those who covet none of their possessions. We realize in the Chinese the self-reliant, sturdy character which we are wont to ascribe to the Anglo-Saxon races of Europe (if I may make use of such a comparison between peoples so remote); and similarly, in the Japanese we have the versatile, vivacious type of mind, and alert intellect, which we associate with the Gallic temperament. In both we have a civilization different from ours, systems of religion different from ours, but all worshipping the universal Deity, and a system of morals which is their own and highly adapted to their civilization. Whether they will gain by adapting anything of ours to their own peoples yet remains to be seen. For it seems to be universally true that every people develops best upon the line of its own genius, rather than by adaptations of the genius of other nations.

## No Territorial Ambitions

We have no desire to extend our boundaries. We know that in every period of the world's history, including our own, those nations which have sought to extend their dominion by force over foreign countries have ultimately failed. Even Napoleon left France smaller than he found it, as a modern instance, and among the ancients the Roman Empire astonished the world only to crumble into pieces.

Ours can only be that kind of extension that is warranted by our having something to offer the peoples of the Pacific which it is to their interest to accept, and in which both parties to the transaction will be the gainers. It is like any other piece of business that is done upon a proper plan. That contract which is not good for both parties to it is not a good contract. A contract that has a "joker" in it, inserted by one side, which the other side has not perceived, is a bad contract. In our dealings with Japan and China and the other races around the Pacific we will do well to study their wants and our ability honestly and honorably to serve those wants, and ask them to treat us in like manner. Thus, we can proceed with self-respect on both sides, and our business can proceed with satisfaction to both sides.

Others have ably discussed the difficulties of China and Japan on the one hand, and the difficulties of race assimilation on the other. But it is eminently proper to point out that there is nothing to be lost and everything to be gained by a free and hearty and wholesome interchange of personal and commercial relations and visits and intercourse. Friends do business well together. Strangers do business under great strain. The old saying, that there is no friendship in business, is the poorest of sayings. The strongest factor in the development of business is friendship, stimulating the sense of goodwill and good faith and of common understanding, and to the men of the Orient we extend the friendly hand of goodwill and of good faith. Whatever they have that is of value to us we desire to obtain on fair



Mr. Sproule



terms; whatever we have that is of value to them they will willingly take from us upon fair terms, and this is the essence of all commerce. Commerce is merely the interchange of commodities, and commerce develops by the interchange of commodities upon the basis of good faith and good will; and we of the United States can do our part in that development.

### Quality, The Decisive Factor

But we must first of all be true to our labels, and that is not so easy as it seems. There is more foolishness in failure to maintain the quality that underlies a label than in perhaps anything else. When the quality, whether it be of an astronomical instrument or a piece of machinery, the box of canned goods or tin of sardines, is assured by what the label asserts it to be, we will have achieved more, in trading with the Orient and with South America and with the nations of the Pacific than we have yet achieved. One of the problems of the Pacific is to be true to ourselves. Commercial honesty begins at home, and this we can develop with the highest value to ourselves, and with the highest value in working out the problems of the Pacific. I do not mean to impugn the good faith of the manufacturers and exporters of the United States, much less those of my own State, but it is the vice of all nations of fast development that those who merely speculate upon their ability to distribute their goods, first establish themselves and then let nature take its course in getting rich as quickly as possible. That is a fault of quickly developing nations, and the Chambers of Commerce of the United States are and have been great factors in getting rid of it.

In the problems of the Pacific, we are, for the time being, handicapped by the excessive cost of production, which, in this great and prosperous country, exceeds that of other nations. In export trade we have to be able to compete with the rest of the world. The balance at the present time is probably against us, but that is a passing phase. The standards of our living are very high, our tendency to extravagance is very great. Our remarkable accession prosperity, both by way of natural growth and by the circumstances that have arisen from the late deplorable war, have all combined to put upon our production the burden of the highest cost, probably, in the history of the world; but we may remember that the rest of the world has participated in the same phenomena. They may not reach the same high scale, but relatively to their circumstances they are under the same necessity for solution of the problem of the high cost of production. We can safely figure that this is really a temporary phase of our commercial life; and that, as the wave comes on, so surely does it recede, and progress is made by the succession of those phenomena of national life. We will get back gradually to where the pre-war relations are more nearly equated. Then will come the test of whether we can meet the Pacific problems and we will have to be patient and courageous.

### The Application of Special Training

Finally, we will have to do that which as yet American merchants have but little succeeded in doing. That is, we will have to prepare the way in foreign countries by sending to them our young men trained in the languages of those countries, to perfect themselves in the languages and acquaint themselves with the manners and customs of those lands. Not only to find out what goods are wanted, how they are wanted, and in what sort of packages and delivery, but also in what manner we may best reach the minds and the purposes of those with whom we seek to trade. In thus working out the Pacific problem our universities are doing their part. I look for them in the future to make it a more prominent part of their curriculum, that young men be prepared for foreign trade, and by this means, among others, they may help the business men of this country in solving the problems of the Pacific.

Upon commerce rests the whole fabric of our civilization. Upon commerce rest the literature and art and learning of the world. It is the foundation of all culture.

## Blair and Salomon Companies Merge

Far Eastern financial circles will be interested to learn of the merging of the banking firms of Blair & Company and William Salomon & Company, whose joint business has been conducted from April 1st, under the name of Blair & Company, Incorporated. The new concern has an authorized capital of \$20,000,000 preferred 6 per cent. stock, and \$10,000,000 common stock, all of the shares to be held by the Directors and officers of the corporation. The partners of both firms will be affiliated with Blair & Co., Inc. C. Ledyard Blair will become Chairman of the Board of Directors, and Elisha Walker, of William Salomon & Co., will be the President.

Directors include members of the old organizations, with several additions. The latter include James C. Brady, Harry Bronner, formerly a partner of Hallgarten & Co.; Frank C. Armstrong, George Armsby, J. Cheever Cowdin and Dunlevy Milbank. The complete list of Directors will be Messrs. Blair, Walker, Armsby, Armstrong, Brady, Bronner, Cowdin and Milbank and William Braden, John B. Dennis, Heman Gifford, Edward F. Hayes, Clarence Lewis, George N. Lindsay, Edward L. Marston, Hunter S. Marston, Alonzo Potter, Lewis P. Sheldon, Jacques Weinberger and Graham Youngs.

The Executive Committee is to consist of Messrs. Bronner, Walker, H. S. Marston, Weinberger, Armsby, Lewis and Cowdin. The offices will be in the Blair Building, 24 Broad Street. There will be branch offices in large cities. Mr. Sheldon will be the European representative, with offices in London.

It was announced recently that the corporation had been organized to engage in a general business of underwriting and dealing in investment securities. Blair & Co. was established in 1890, the head of the house being a descendant of John I. Blair, who was associated with the construction of the Chicago & Northwestern and the Delaware, Lackawanna & Western Railroads. The firms participated in recent years in the financing of the Republic Iron & Steel Company, the Pressed Steel Car Company, Jones & Laughlin Steel Company, the Virginia, Carolina Chemical Company, Borden's Condensed Milk Company and other corporations. The underwritings of William Salomon & Co. include Mexican Petroleum Company, the New Orleans, Texas & Mexico Railway Company, Pan-American Petroleum & Transport Company, Western Pacific Railroad Company, Wilson & Co., California Packing Corporation, the Worthington Pump & Machinery Corporation and others. Blair & Co. has been identified particularly with the issue of railroad equipment notes in the last few years, a type of security they were instrumental in developing.

William Salomon & Company headed the syndicate which financed the Philippine Railways and have since maintained great interest in Far Eastern affairs. In 1909, they had started the organization of an independent financial group for the purpose of entering China, but before the arrangements were perfected, the announcement was made of the organization of the old American Group headed by J. P. Morgan & Company, with the exclusive support of the State Department. This closed the door to independent American activities in China.

During the Revolution of 1911, the old Manchu Government was negotiating with William Salomon & Company for the \$5,000,000 loan secured on the Peking-Kalgan Railway, the terms of which were accepted, but the State Department refused to permit the deal to be carried through. The result was that the loan went to the new independent Belgian Group and was later included in the Reorganization Loan. Many other Chinese loans have been offered to this company in the past ten years, which could not be carried out successfully by an independent American banking firm.

### New Mongolian Salt Deposits

According to a traveller returning from Mongolia, Tapusu Lake, in Changling Hsien, a point 308 li from Chengchiatun, has been dried by the sun, owing to drought. The bottom of the lake being discovered to be full of salt, the natives are busy in taking it out.



# Peace Through Prescience

Should America Co-operate With Japan and China?

By GEORGE BRONSON REA

*"If we have peace in the Pacific, there is no reason why the Pacific in the coming century should not repeat what has been accomplished in the Atlantic."*

..



HIS declaration by Mr. Charles R. Crane, the new American Minister to China, sounds the key-note of his mission, the expression in China of the new policy evolved by our State Department as the real solution of our Pacific problems. Peace in the

Pacific means co-operation, harmony and understanding between the three great interested nations, America, China, Japan.

To the quotation from Mr. Crane's valedictory to his home folks I will add another from Dr. James Brown Scott, director of the division of international law of the Carnegie Endowment for International Peace and the chief legal expert of the American delegation at the Paris Conference, who as an introduction to a volume just published (containing the complete list of all the peace treaties negotiated by William Jennings Bryan) says:

"Any dispute that is talked about must and will be amicably settled in accordance with the dictates of an insistent and enlightened public opinion."

Now, the greatest menace to the continuance of peace in the Pacific lies in the constantly increasing points of contact in the expansion of the United States and Japan. Friction, jealousies and animosities have been created which, if not studied from all angles, must some day lead to hostilities. It is not my purpose to dwell upon all these problems, but to concentrate attention upon one phase of a situation that provides a legitimate subject for discussion. These views are presented not in any dogmatic sense, but in the hope that the facts outlined may be faced and so serve as the basis for further discussion. Such careful consideration might well lead to definite action by American manufacturers, while there is yet time to contribute their share towards a solution of these problems, and thus preserve the peace of the Pacific, upon which to such a large extent the future trade prosperity of the nation must depend.

This discussion will hinge on whether American manufacturers should, or should not, co-operate with Japan along certain well-defined lines.

Five years ago, Baron Shibusawa, the venerable financier and philanthropist of Japan, came to the United States to

advocate co-operation. He received a cordial hearing and promise of support from many of our leaders of finance and industry. The case, however, as then presented, gave friends of China an opportunity to discredit it.

Conditions have changed. The old outlook has vanished. A new horizon looms ahead. On this new sky-line stands the figure of Japan, invested with an increased dignity, a new importance. Japan has advanced to the front rank of the world's military powers; she is one of the Big Four. She has become a formidable financial and commercial force. She cannot be ignored.

In their desire to bring about peace and harmony, the Japanese propounded the idea of co-operation in China, and thereby deeply wounded the national pride of the Chinese people, who saw in the scheme, as presented in 1915, an attempt to exploit their resources with American money manipulated by Japanese brains. Undismayed by this undoubtedly serious sentimental and practical obstacle, the Japanese persisted. While the great war was in progress and China slept, Japanese-American co-operation became a reality; a cold, hard, business truth. It is no longer a theory, a subject for academic or acrimonious discussion. Americans refused to go to Japan, so the Japanese came to America. Over sixty-five of the largest Japanese financial, industrial and commercial concerns have established offices in New York. They occupy the best suites (in some cases, entire floors) of our most expensive office buildings. They represent the best houses of Japan, capitalized in the millions, with unlimited credit behind them. Their main business is not to sell. They are in America to buy.

They have established direct connection with the American manufacturer, and reduced the overhead of foreign trade. Their turn-over is enormous. The New York branch of Mitsui & Company is reputed to be the premier foreign trading unit in Gotham. The huge exports of cotton to Japan, the equally large imports of silk,

are in the hands of these Japanese firms solidly established in the commercial metropolis of the world. The bulk of the steel and machinery orders, chemicals, and other commodities, pass through their hands. The Japanese have arrived. Through friendly commercial rivalry, they have brought about that co-operation rejected by Americans in 1915, for the sake of retaining the friendship of China.

A large percentage of the American products exported to Japan are destined for the Chinese markets. The American



Mr. GEORGE BRONSON REA

This portrait of the publisher of THE FAR EASTERN REVIEW was taken while he was serving his country as a Captain in the United States Army. Mr. Rea's two sons, William C. and Henry Rea, also helped to win the war by donning the uniform at the first call for volunteers.—Editor, FAR EASTERN REVIEW.



importer and exporter (the middleman) has been sidetracked, but the American manufacturer, American trade in its larger aspects, has benefited. Wherever we do not compete with them, Japanese traders have pushed the sales of our products abroad. A bond of friendship, understanding and interest has been forged that will be difficult and it will be dangerous to break. American bankers, lawyers, and merchants rub elbows daily with their Japanese colleagues in the downtown business men's clubs of New York. Enter one of these exclusive establishments, any day at the lunch hour, and one or more tables will be found occupied by the representatives of Nippon's mercantile aristocracy and their guests.

"Big Business" in New York is interested in Japan, where big things are being projected. No longer do we hear of "American money and Japanese brains." Japan has decided that to carry out big projects, she must employ American technical skill and direction. Stone and Webster, the great American engineering firm, has been awarded a large hydro-electric contract. The equally well known George A. Fuller Company, of "Flat-Iron Building" fame, has been called upon to undertake an immense construction scheme, running into many millions of dollars. The Siems-Carey Canal and Railway Company is co-operating with Japan in the Grand Canal improvement in Shantung. Its officials characterize this partnership as "the most ideal business arrangement ever entered into between Americans and foreigners, absolutely devoid of all friction or controversies." Not once have the Japanese interfered with their direction of the work. In all these schemes, Japan stands ready to pay spot-cash for materials. They involve no financing, no raising of loans, no selling of bonds to the public. Americans are simply asked to furnish the bulk of the materials and the technical supervision. An ideal working arrangement!

### Financial Foresight

There is another important fact that has contributed to the desire for co-operation. Japan carries a large gold balance of \$600,000,000 to her credit in American and British banks. The Japanese government's investment in Liberty Bonds, amounting to \$50,000,000, exceeds the total of all American loans to China. Her citizens hold over \$50,000,000 in Anglo-French securities. Should Japan, for any reason, political or economical, decide to call in her gold reserves in this country and England, it would most likely precipitate a good-sized panic in our credit situation. The Japanese government maintains a financial representative in New York. This gentleman, Mr. Akira Den, is a well known and respected figure in Wall Street, whose opinions on the financial situation are freely quoted by the metropolitan press. The Japanese Government Railways administration, the Japanese Navy Department and Ordnance Bureau, also have offices and representatives in New York to supervise purchases and inspect materials. The Yokohama-Specie, Sumitomo, Fujimoto, and Taiwan Banks, the Banks of Japan and Chosen, and other financial institutions, have offices or representatives here working in complete harmony for the advancement of their national trade interests with Japanese insurance and steamship companies. The Japanese have their own club-house. The Japan Society has grown into one of the strongest international associations for peace and good understanding. Over 900 persons sat down to its last annual dinner in the great banquet hall of the Astor Hotel. Its membership list includes the names of the foremost leaders of American finance and industry. On every side is seen and felt the powerful influences at work to strengthen the bonds of commerce and friendship between the two countries. It is recognized that only through such community of interest can a thorough understanding be arrived at. Japan has crossed the Pacific and come to us. She has paved the way. Her large interests stand solidly in New York, with their hands outstretched asking for the clasp of good-fellowship.

One seeks in vain for a Chinese face in this world of big business. Aside from the curio store, restaurant and Chinatown element, just one purely Chinese representative of the vast commercial life of China can be found in New York. Mr. K. C. Li, the modest, capable and esteemed agent of the Wah-Chang Mining and Smelting Company, is the only Chinese business man of note in this great centre of world commerce; the

standard-bearer for four hundred million people, overwhelmed and lost amidst the hundreds of business men from Japan. The Nanyang Tobacco Company has recently opened offices in New York to purchase direct its supply of leaf tobacco.

Japan is dependent upon America for steel plates, structural steel, machinery, raw cotton, oils, and other essentials. She furnishes us with silk in return. Any derangement of this trade would result in financial disaster to many important industries. This is the picture of actual conditions. It is natural, however, for Americans interested in the development of China to condemn any discussion or reference to American co-operation with Japan, based purely upon lines of sordid selfishness; and, wherever such a partnership works out to the disadvantage of China, this position is fully justified. An extensive campaign is now under way to induce new American firms to enter the Chinese field in order to combat, through the force of numbers, the competition of other nations. But for every American firm that goes to China, a new Japanese concern enters the New York field and opens direct business relations with the American manufacturer.

### In Business for Profit

The average American manufacturer is not merely an altruist. He is in business to make honest money. His main object is to dispose of his product at a fair profit. He may have his own branch or exclusive agency in China, but he cannot very well refuse to sell direct to the Japanese merchant in New York. The Japanese firm that pays spot cash or furnishes accepted credits in a New York bank and attends to its own shipments, relieves the manufacturer of export and agency commissions and cable correspondence, eliminates all monetary risks, and (as a rule) purchases in quantities, is obviously in the most favorable position to receive the lowest possible prices. Add to this the further advantages enjoyed by Japanese firms that ship their goods in subsidized Japanese bottoms, and it becomes evident that they will be able to undersell the agents of the American manufacturer in the Chinese market. Their position in the commercial struggle for the domination of that market is therefore one which should compel us to pause and weigh carefully any proposition or agitation designed to engender ill-will. For the present, at least, Japanese merchants are pushing certain American products in foreign fields. Can we afford to lose this valuable co-operation? Can we afford to antagonize such good friends and force them into the outstretched arms of our European competitors?

Unless the American manufacturer, in order to protect his agent of China, declines to sell direct to the Japanese merchant in New York, the American in China must inevitably be placed under a serious handicap. If the manufacturer demands from his Japanese customer a guarantee that his goods will not be sold in China, the Japanese, who cannot give this assurance, will transfer his business to another manufacturer not represented in China. The American manufacturer has to accept either horn of the dilemma. All other things being equal, success or failure for American traders in China may hinge on ocean freight rates and deliveries. Here, by reason of government subsidies, cheaper labor, and lower costs of operation, the Japanese will retain the supremacy. We may say that a shipping conference agreement to equalize rates will solve this, but there is no way by which we can prevent Japanese subsidized shipping companies from giving rebates to their own nationals. Japanese firms in America, paying cash or accepted credits through Japanese banks, routing their shipments in Japanese subsidized steamers and insured by Japanese insurance companies, will turn the scale in their own favor. In the presence of such conditions it would seem that American manufacturers and their branches in China using American bottoms, will have a tough fight to hold their own. Only the strongest will survive. The weak, unsupported American agency, will be placed with its back against the wall, fighting for existence.

There is one solution to this problem. China can emulate the example of Japan. She can organize large and financially sound trading companies. They can open branches in the United States and enter into direct relations with the American manufacturer. This step, however, must be supported all along the line by the other indispensable adjuncts to successful commercial



development, with banks, insurance companies, steamships, wharves, etc. Can China do this, and within a reasonable time limit? If she cannot, it seems futile to attempt to stem the rising tide of American co-operation with Japan, who has created the machinery for commercial warfare in the same methodical way that she has built up her military weapons for defence.

The question of whether or not America shall co-operate with Japan is, therefore, a dead issue. The real question is whether Americans are to avail themselves of this co-operation to extend their trade, or whether we will plunge into a disastrous commercial rivalry that can only create and intensify antipathies and jealousies, and, in the end, lead to actual war. Shall we reject the co-operation of Japan's wonderful commercial organization to push certain of our products in China, and thereby invite her to turn to Europe for supplies that she cannot manufacture herself? Or should we grasp the outstretched hand of commercial good-fellowship and utilize this great asset for the advancement of our trade interests in the Orient? This is what must be considered and discussed in order to come to an honest and permanent understanding.

### Must Co-operate with Chinese

On the other hand, Americans must endeavor by all honorable and legitimate means to co-operate with the Chinese in the development of China. This is a fundamental commercial law. We should demand our full rights in that country. But this co-operation should not be permitted to endanger our own trade supremacy. Japan is our best customer in steel, steel products, railway supplies, machinery, etc. She cannot compete with us in these lines. She is willing to co-operate with us, to act as our agent, in the sale of these products in China. Japan is not anxious to see American or other foreign capital develop a great steel and iron industry in China. What profit will accrue to American industry and trade, if our capital, in co-operation with Chinese, should develop an iron and steel industry in China? Would we not lose the Chinese markets and in time create a serious competitor? Surplus American capital, however, undoubtedly will flow into China for such purposes, but such individual successes must ultimately react unfavorably upon our own industries.

The success of American investments in China may be assured only by intelligent and reciprocal Chinese co-operation, not only in the matter of concessions, but by the presence of large Chinese trading concerns in New York where they will compete openly with the merchants of Japan on an equal footing, and without engendering national trade animosities. American co-operation with the Chinese has been made exceedingly difficult by the careless manner in which the Chinese government has, in the past, hypothecated or ceded to other nations its most valuable resources. There is now no place in China where American capital can build a profitable trunk railway. All the preferred lines have been ear-marked for other interests in return for temporary financial assistance. There are few really good mining propositions not controlled by other nations. If American co-operation with China means that in order to do business, America must unravel all these tangles and meet with the resentment and opposition of other friendly powers, it may turn out to be a most expensive and one-sided arrangement. Real American co-operation in China can only be successful after the spheres of interest are abolished and preferential railway and other rights surrendered. At present, America may only co-operate through the medium of an international financial consortium, and this means international financial supervision and control over China's finances.

There is a final argument in support of closer American relations with Japan. In her present, weak, chaotic condition, China requires many hundreds of millions of dollars to place her house in order, to disband her army, and to develop her resources. England and France cannot extend financial assistance for years to come. Their shares would have to be carried by other powers. Germany and Russia are temporarily bankrupt. The only two great powers who can assist China are the United States and Japan. The first requisite to the reorganization of China by means of foreign loans is therefore a complete, harmonious, working understanding between these two nations.

Unless such understanding is arrived at, the outlook for China is hopeless. This statement admits of no argument.

Until some guarantee is forthcoming of American-Japanese co-operation inclining towards permanent peace in the Pacific, American capital will be reluctant to enter China in large amounts. The American government may command our bankers to advance loans, and the latter may comply up to \$25,000,000 or possibly \$100,000,000; but, unless these Chinese bonds can be sold to the investing public, American financial assistance to China will end right there. Until preferential railway rights are surrendered by the other interested powers, American capital, working independently, can do nothing towards solving China's transportation problems. Aside from the Siems-Carey contract to build the line into Szechuan (protested by British interests) and the American group's participation in the Hukwang lines, there is no opening in all China for American capital to construct a profitable railway. Only one of these conflicting lines can be built, thus reducing our railway prospects by one-half. The field is closed, fenced in. "Keep off the Grass" signs confront the bewildered American, at every turn in China.

Will the United States go to war with her late Allies in order to eliminate these preferred rights in China, so that our capital may operate independently? That, to say the least, is unlikely. If the Consortium fails, American capital may enter China only in co-operation with the other individual powers. Sentiment may dictate that such co-operation be in partnership with England or France. Hard-headed business judgment may, however, incline our financiers to co-operate in the construction of Chinese railways under contracts held by Japanese, where the American manufacturer would be assured of the supply of materials and our engineers possess participation in the construction profits. There may be a few purely Chinese railways in whose extension American capital might be profitably employed, but they would be hard to find. The Chinese-owned Peking-Kalgan-Suiyuan and Kiangsi lines are compromised to use Japanese loans for further improvements. Co-operation with China on Chinese-owned railways means, in most cases, co-operation with Japan.

### Chinese Lack Organization

Where, then, can American capital profitably co-operate with Chinese in the development of China? There is only one answer; in industry, mining, banks, commercial undertakings and minor lines. But will not such enterprises be overshadowed by the more important Japanese co-operation with Americans? Will not Japan's commanding position and control over the weapons of commercial warfare, and China's lack of these essentials, enable Japan to dominate the trade situation?

China requires American co-operation. This, however, should be reciprocal to the extent that the Chinese should enter into direct contact with the American manufacturer, following the precedent set by Mr. K. C. Li and Mr. Kan. That would materially help to smooth out trade jealousies and national antipathies. True, some American firms in China would suffer, but, as in the case of Japan, American trade on the whole, would be benefitted. An influx of new American firms into China may materially help to strengthen our trade position, but so long as the American manufacturer sells direct to the Japanese firm in New York, the activities of the American agent in China of the same manufacturer are liable to be considerably handicapped. The situation reveals a phase of commercial warfare whose effects have not as yet made themselves fully felt.

It is for these reasons that more harmonious co-operation between America and Japan seems advisable, not for the exploitation of China, not to find employment for Japanese brains to direct our investments, but to bring about the peaceful development of China with Chinese effective co-operation and international goodwill. American-Japanese co-operation in China, means a three-cornered partnership, with China as one of the principals whose interests will be safeguarded. We must remember that conditions have changed. Japan and America are co-operating. American products are entering China in large quantities, through the medium of Japanese firms acting as our agents, or independently. We are facing cold, hard, and (perhaps!) unpalatable facts.



Prominent American manufacturers, financiers, statesmen, and leaders of thought, are earnestly striving to find some honorable and amicable solution of our real differences with Japan. Japan has invited and welcomed committees of our prominent men to come to Tokyo to ascertain these differences and to discuss these problems. A permanent board of mediation is proposed as one means of meeting these issues as they arise. Yet, selfishly, or foolishly (and in some cases, wickedly) a few noisy Americans in China are attempting to block up those sensible roads to peace, determined (as some of them undoubtedly are) to prevent at all hazards, any peaceful solution of the issues.

No permanent results can be obtained, if the Japanese on one hand preach co-operation, and on the other permit their officials at Tsingtao to confiscate the property-rights of prominent American interests. One such incident sets in motion anti-Japanese forces that negative in a sweep of the arm all the good accomplished by the peace-makers. In the same way, anti-Japanese agitation carried to extremes by Americans in China, nullifies the campaign carried on by their principals on the United States. It is a remarkable picture. In the United States, we find the leaders of big business spending their time, money and energy, in seeking some way towards friendly co-operation with Japan; while the representatives or agents in China of these same men are doing their deadly worst to make such an understanding impossible.

### The Boycott Boomerang

Remembering the presence of the sixty-five large Japanese firms established in New York, who stands to suffer most in this controversy? If representatives of American manufacturers in China permit themselves to be drawn into anti-Japanese agitation, will not the great Japanese firms in New York be justified in transferring their business to manufacturers not represented in China? Will they not push the products of these manufacturers in China, in opposition to those who are fighting them? The Japanese are undoubtedly in a position to say to Americans in China, "If you persist in this agitation which has the effect of keeping alive the Chinese boycott against our goods, we will in turn, boycott you in New York and transfer our profitable American business to such manufacturers as are not represented in China." Such a situation would be extremely delicate for American manufacturers anxious to retain the goodwill of their Japanese customers.

Now, there is a phase to this boycott situation which we Americans cannot afford to ignore. We have been invited to hurry into China at this time while her merchants are boycotting Japanese goods, and so skim off the cream of the trade and consolidate our position before the agitation against Japan dies down. Let us stop a moment and analyze this proposition. If Japan cannot dispose of her manufactured products in her nearby market, she will have to sell them elsewhere, and, in view of the high prices prevailing in the United States, she may retrieve her lost position in China at our expense. This is indicated by a recent item in the *New York Journal of Commerce* of April 28, which reads:

"A seller representing a large Japanese house was in the markets, yesterday, offering cloths and yarns for delivery in May-June from Japan. The goods were offered in some instances 20 per cent. under ruling market prices here, and have accumulated as a consequence of the boycott in China, it was stated."

What will it avail American industry if we gain a market in China for certain of our goods at the expense of Japan, when the reflex action sends the displaced Japanese products to the United States, to South American and other markets, in competition with our own? Japan dominates the Argentine market in many lines of cotton and knit goods, made from the raw materials and machinery purchased from America. Analysis will prove that if Japan is boycotted in China, many of her low-priced goods must ultimately find their way into the higher-priced American market and undersell home products before the Protective Tariff League could start legislative action to protect American industries. The expert of the American Textile League who recently advocated placing a ban on the importation of Japanese textiles into this country obviously had some such

contingency in view as the only way, under the present high demand and shortage, in which Japanese goods could be kept out.

If this condition exists, we cannot continue in our present attitude towards Japan. The time will come when we must get together and arrive at some amicable understanding. We cannot afford to have a few Americans, merely out of consideration for China, impeding the way to a harmonious understanding. The time must come—it cannot be long deferred—when American manufacturers, in self-defence, must formulate some policy designed to avoid friction and promote good will. We cannot expect Japanese firms in New York, controlling the bulk of our exports to Japan, to continue friendly business relations with manufacturers whose representatives are opposing them in China. Human nature being very much the same the world over, the American manufacturer may find his profitable Japanese trade handed over to some competitor not actively represented in China and whose goods will be sold in that country in opposition to his own.

Americans do not have to accept the "glad hand" of Japan. They can refuse to co-operate. They can insist upon doing business in China in their own good way. But the truth remains that Japan is actively buying in America and selling in China. Her merchants and agents are scattered throughout the length and breadth of both countries and are doing business, and they will continue to do business notwithstanding the boycott and foreign jealousies. And, sooner or later, China and Japan will get together in the interests of peace, and compound their difficulties. Then Japan will be in a much stronger position than she is to-day. If Americans refuse to co-operate with Japan, others will do so, and the end will be that her wonderful mercantile organization will be pushing the manufactured products of some other nation, and our present advantage will be lost. We must not fool ourselves about this. Britain, the ally of Japan; Germany, and other nations are not asleep at this time to the advantages of a commercial partnership with Japan. The idea of co-operation with Japan, rejected some years ago by British interests, is again being discussed. Our competitors recognize that events have made Japan our commercial partner in disposing of our goods in China, and if a rift is cut in our amicable relations, the wedge will be inserted to deprive us of this great asset. Can we afford to lose the co-operation of Japan in China? That is the practical question. It should command a frank and open discussion in order to pave the road towards a lasting peace in the Pacific.

### Japan's Ascending Insular Trade

In the Dutch Indies, the Straits Settlements, the Philippines and lesser groups of the Pacific islands, Japanese firms are steadily gaining trade. The decline that was noted for a while after trade was resumed between Europe and the South Seas has now given place to a rising volume of Japanese business. Imports from French Indo-China fell sharply immediately rice stocks were sufficiently replenished, while a large share of the Dutch colonial trade formerly in German hands is still held by Japanese concerns.

The following tables give the value of Japanese exports and imports during the first four months of 1920 and the figures for the same period of 1919:—

Exports		1919. Yen	1920. Yen
Straits Settlements	...	7,532,000	11,332,000
Dutch-Indies	...	10,122,000	27,081,000
French-Indies	...	409,000	957,000
Philippine Islands	...	4,447,000	7,514,000
Siam	...	544,000	1,053,000
Australia	...	8,723,000	8,384,000
New Zealand	...	1,554,000	1,104,000
Imports			
Straits Settlements	...	9,943,000	6,495,000
Dutch-Indies	...	15,230,000	29,447,000
French-Indies	...	43,443,000	8,408,000
Philippine Islands	...	2,556,000	6,605,000
Siam	...	8,097,000	839,000
Australia	...	10,845,000	27,422,000
New Zealand	...	59,000	1,000



# J (Just) A (About) P (People)

THE event of the month, in the Far East as elsewhere, was the nomination of Warren G. Harding as the next President of the United States. Barring death or a political miracle, that is about the size of it: in November there will be an election; and, in the cheerful Spring of next year, President Harding will take over the management of the biggest individual business on earth. Nothing else that has happened is of greater importance in any part of the world, because all the world as well as America is influenced already through the Harding-Coolidge choice

made by the Grand Old Pachyderm in the City of Splits, Patch-ups, Hinky Dink, Bathhouse John, Large Female Feet, Big Ideas and as Big Achievements. Eight years ago, Chicago groaned to the heavy pressure of the Root Roller; frizzled to a frazzle under the matchless magnetism of the finest American of them all; and, Jane Addams leading the hymn "Onward, Christian Soldiers," The Bull Moose was born. That, and nothing else, elected

Wilson. The Jersey Schoolmaster became the Master of Mankind as a direct outcome of the Chicago Folly of 1912. So "he kept us out of war," in 1916, and "he has kept us out of peace," in 1920. There will be peace at home and abroad for America, and hope, and cheer and pride, when President Harding takes the helm, as he will most assuredly before the Ides of next March. Hail Harding! Skidoo, Caesar!

News of the great happening crept timorously into Shanghai on the morning of Monday, June 14, in a tiny *Reuter* message and half a stick of type. The "beat" of the day was tucked away at the tail-end of one dry and dreary report and it plucked at the beard of another esteemed editor without the least apparent effect. The news agency having done its part and delivered the news, the Shanghai newspaper helped our breakfast with a column captioned as follows:—

"U. S. PRESIDENTIAL ELECTIONS.

"Republican Convention.

"Governor Lowden Heads In Balloting

"The League of Nations."



Senator Warren G. Harding, of Ohio



Governor Calvin C. Coolidge, of Massachusetts

THE NEXT PRESIDENT AND VICE-PRESIDENT OF THE UNITED STATES OF AMERICA

Jammed in a sandwich of type, fair in the middle of this comforting column, was the *Reuter* message and a sapient subhead:—

## "TWO OTHER CANDIDATES

"Chicago, June 12.

"The Republican National Convention nominated Senator *Warsan* Harding as candidate for the Presidency and Governor Coolidge for the Vice-Presidency.—*Reuter*."

Thus, the good news came to the Whangpoo Paris. Can you beat it?

The Chicago choice was as welcome to most Shanghai Americans—as castor oil is to a kid. To say that they were stunned by the news is to put it mildly. Well, they are not to be harshly condemned; because, you see, they are so out of touch with home sentiment and the politics of their own people that most of them never heard of Lenroot until a newcomer told them the story of the great contest over the government of the United States and the meaning of Harding, Lenroot and Coolidge and "Jim" Reid in the American politics of this age and generation. The overwhelming choice of voteless Shanghai was Mr. Hiram Johnson. There was much Wood sentiment and a good deal of shouting—most of it quite sincere—for Hoover. The devouring desire, however, was for a President who would immediately mobilize the armed forces of the United States, take Tokyo in an hour, give all the little Koreans "self-

determination" and the rest of the Fourteen and Four "Pints" (with a little drop over for good measure) and play the devil generally with our Far Eastern relations. So, the Elephant having refused a back for that sort of fire-eating rider, their thoughts are turned to San Francisco and the Donkey. They don't seem to realize that Paris and the Washington treaty debate so lamed the poor burro that scarcely a good, healthy bray will be left in

him after the polling in November.

Among thoughtful Far Eastern Americans, Harding's nomination kindles lively satisfaction. The sage Senator of Ohio, "mother of Presidents," has many good American friends in Asia. They regard him as another McKinley—sane servant of the people, not a cock-sure "master." The keynote of Harding's career has been "Service." That is what nominated and will elect him. Here is his own brief estimate of himself, given in response to a recent query as to why he should be chosen:—

"It is impossible to bring myself to make such a statement as your inquiry suggests. Perhaps we are slaves to political customs, but men in public service are reluctant to urge the reasons for their preferment.

"Public servants must be judged by their records in service. If that service is too inconspicuous to be familiar to the public, it is a misfortune rather than disqualification.

"If there is one distinct merit in my own case it lies in the fact that I believe in government through the sponsorship of



political parties, rather than personal domination and both experience and inclination would help me to maintain a relationship between congress and the administration forces which is the highest assurance of constitutional government by law."

Good, sound American political doctrine!

Harding means Service and Sanity. Calvin Coolidge means Law and Order. Harding for Harmony, Coolidge for Courage. Ohio and Massachusetts leading the Republican landslide, it is a dull, "dry" and dreary outlook for some "deserving Democrats." Well, they have one satisfaction, at least. They managed to run away with eight years of office, surprising everybody (including, most of all, themselves).

Eight years ago, we "covered" the big Battle of Baltimore, when Bryan outpointed the Clark cohorts and talked the last ounce of patience out of the Democrats. The Commoner "put Wilson over," to quote his own words. Returning from the Maryland metropolis, he had this to say in the Pullman car:

"Well, we've nominated him. He'll be elected, and when he leaves the White House there'll be nothing left of the Democratic party but splits and splinters."

Wilson vetoed Lenroot and Republicanism in 1918. The voice was the voice of Woodrow, but the hand was the hand of Joe Tumulty. Wisconsin and the nation at large repudiated the Autocrat. Wilson vetoed Hardwick and said in effect to the Georgians that, politically speaking, they were schoolboys and must do as the master told them. Georgia, according to the press dispatches, returns to the dignity of statehood by listening to reason and "Jim" Reid. The brunt of the battle, all through the South and the country, has been borne by the intrepid little Missouri statesman, one of the few brilliant men in the Senate and a glutton for work. Reid has the sharp tongue of the late Joseph Chamberlain and the legal lore of Fuller. His middle name is Industry. Once, for more than a week, during the fight against ratification, he hadn't time to remove his shoes.

"Your sox must have been fierce," I chaffed him.

"Yes," he came back; "they were as full of holes as the League of Nations."

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**OLDTIMERS** among the "foreign devils" in Asia regard with real affection Engineer-General Demetrius Horvath, recently announced as a foreign adviser of the Chinese government. It is assumed that it is the intention of the people in Peking to retain General Horvath in the management of the

Chinese Eastern Railway. Born in 1859, and reared in orthodox surroundings, General Horvath took the course at the Engineering School of Petrograd and graduated as an officer in 1878. In 1902 he was chosen to manage the Chinese Eastern Railway and, from the first, his administration was surprisingly successful. He had many difficulties to overcome. He surmounted them and, by his rugged honesty and savoir, left a minimum of



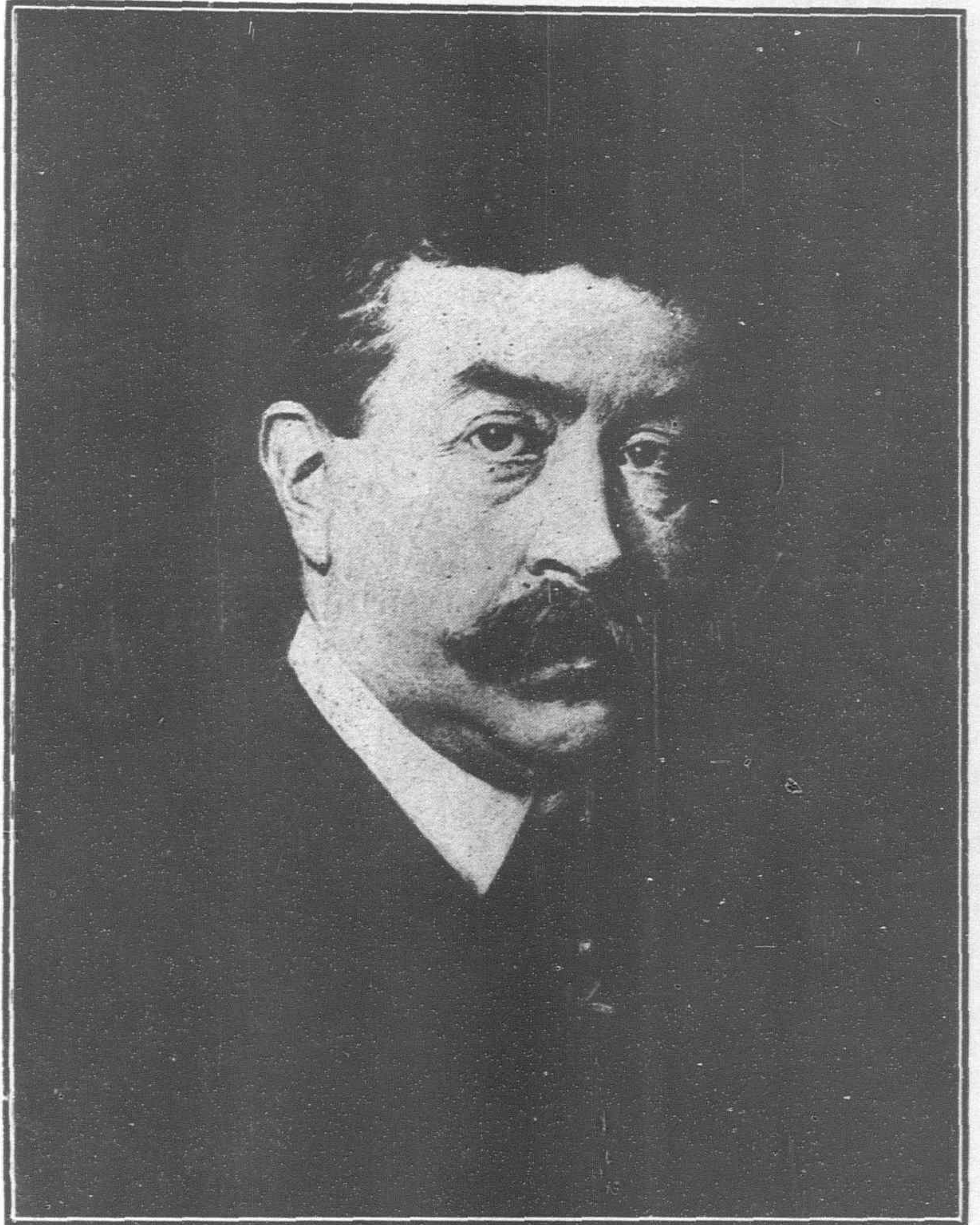
General Horvath

"scars." During the Russo-Japanese war, he was able to render his government service that was highly appreciated by the old régime. In 1911, he was promoted to the rank of general.

The Chinese like General Horvath, because he understands them and is eager to aid them. He has had much experience along lines that make him particularly valuable as a member of the Chinese public service. He is what is known North and South of Mason and Dixon's line as a good "mixer." That helps

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**A** WELCOME visitor to China is Monsieur Paul Painlevé, who preceded the famous "Tiger" as prime minister of the French Republic. In many ways, his presence in Peking is interesting and important.



M. Paul Painlevé

China has a lot to learn from France, the cradle of modern western civilization. The Chinese might well model their patriotism after the heroic mold of the heroes of the Marne and Verdun. Glorious France! No man with red blood in his veins could walk the battlefields of the French front or step over the desert of débris that will ever be known as "the devastated area" without wanting to shout for France and to salute every French man, woman or child. France was 100 per cent. brave—a nation of heroes; and China could do with a hero or two.

Paul Painlevé is interesting on his own account. We had the pleasure of meeting him at Paris and we found him a very remarkable person, indeed—an enthusiast who is as practical as he is eager and bubbling over with all sorts of surprising knowledge. He was an infant prodigy and a power among his fellows while all around him hung the dun brown atmosphere of sordid striving for livelihood. Painlevé came up from the people; his father was a Paris laborer and he became a savant in his teens. He was not given an education—he went out and got it, because it was in him; and thus he became president of the council in 1917 and president of the Academy in 1918. He is among the most famous of the world's mathematicians. Also, he is a great humanitarian.

M. Painlevé was president of the Société d'éducation Rationnelle and he is in Peking as the envoy of the Chinese Institute recently founded at the Sorbonne, which is beginning with a

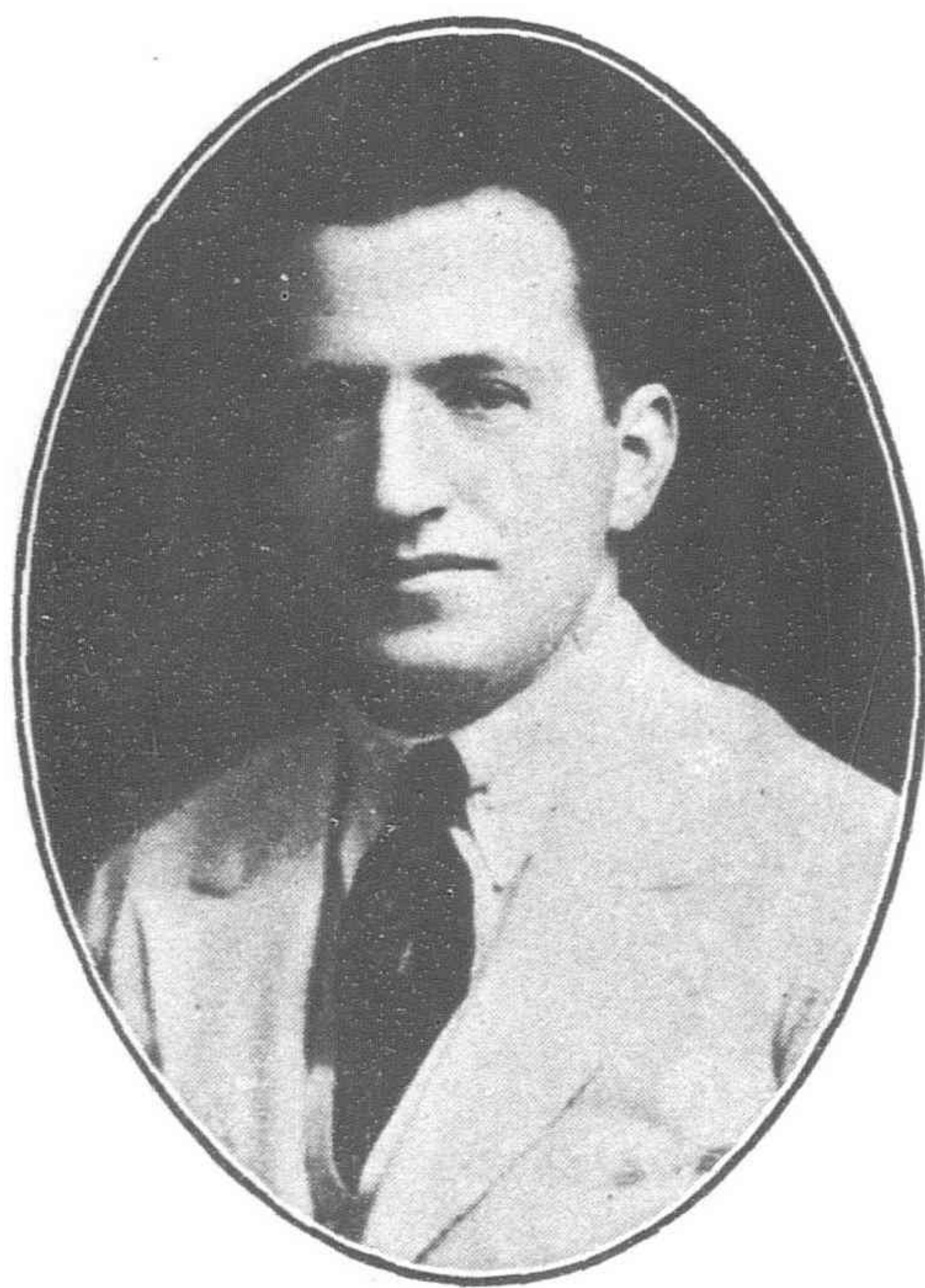


library of 100,000 choice Chinese manuscripts and much Franco-Chinese fraternity. He was invited to China by President Hsu Shih-chang, upon the suggestion of the Chinese circle in Paris. The Chinese will do well to listen to Paul Painlevé.

M. Painlevé has been a pioneer in French aviation. His interest was inspired by his remarkable friendship with Wilbur Wright. Wright was the practical genius, Painlevé was the practical theorist. The French mathematician saw possibilities, precautions. He flew with Wright while the records were being made at Le Mans, advocated a fleet of 1,000 planes as far back as ten years ago and fathered the Ecole Supérieure de l'Aéronautique—*alma mater* of many French "aces." A grand young Frenchman of 57 is Paul Painlevé.

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**C**ALAVERAS County, California, gained world-wide fame through two things—its pioneer engineers and Mark Twain's celebrated "Jumping Frog." One of these days, the world will allow this highly-favored part of the Pacific Slope a third right to international recognition.



Major J. E. H. Stevenot

Thirty-one years ago, a boy was born in Calaveras County with two generations of mining engineering back of his cradle. The boy grew up to be Major J. E. H. Stevenot, a successful consulting engineer at 23, one of the Far Eastern leaders in his profession a few years later, a "kingpin" in the sky-fighting corps of his country during the war, and the aerial ambassador to Asia of the powerful Curtiss Company, right at this moment.

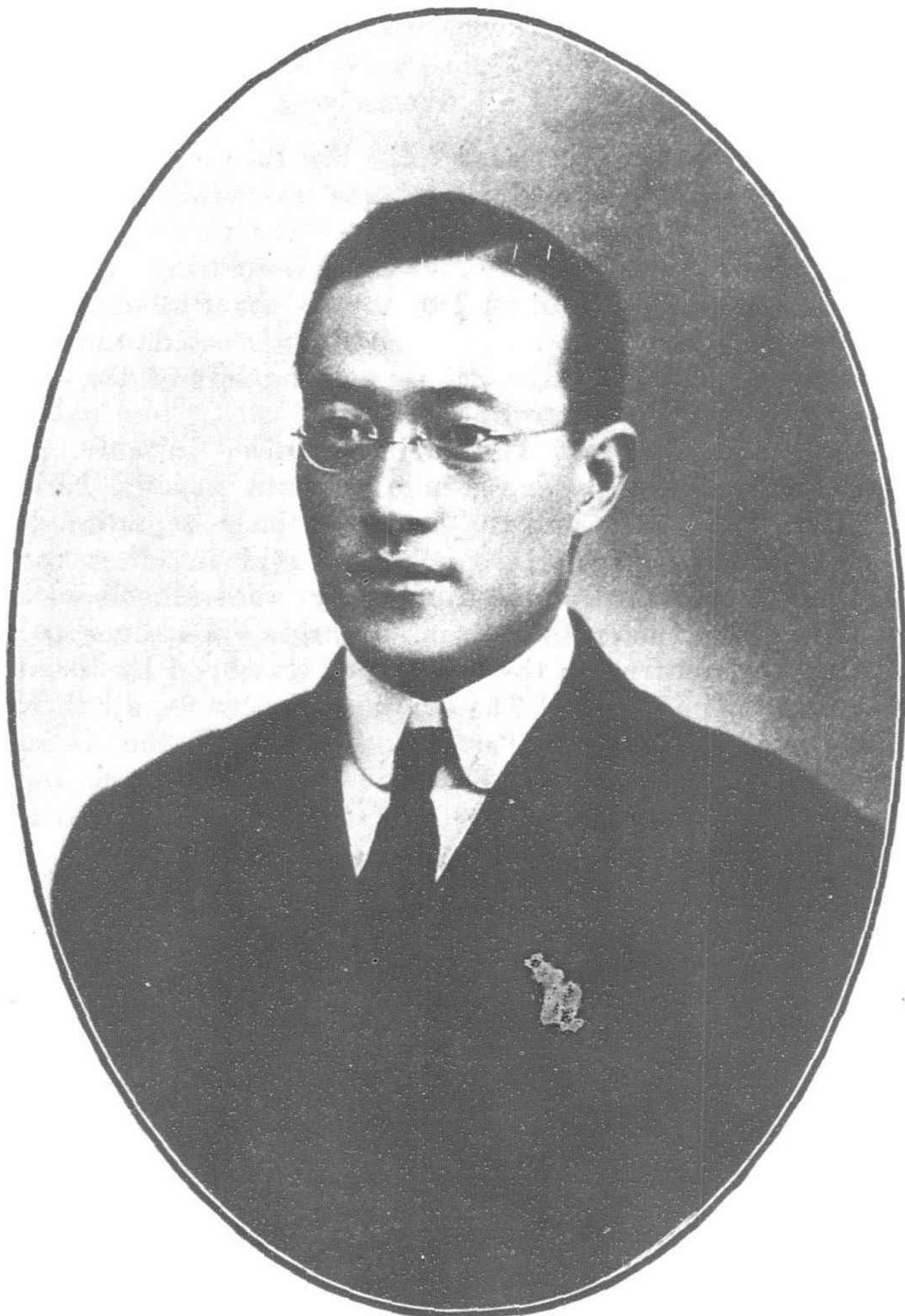
We had the distinct pleasure of talking with Major Stevenot while he was in Shanghai on his way

from Peking to Manila. The last time we met him was during the war and in the heart of things at Washington. He had the ears and the eyes of the real warmakers of the general staff. Sky-fighters combining the maximum of courage and coolness were then in big demand. Stevenot ranked among the highest of the Class A pursuit pilots. He was cool as a cucumber under the hottest conditions and nervy as became a native son of Calaveras County. So it was quite good to meet him once more in China.

"China is a great field for aviation," said Major Stevenot. I believe in the Chinese as a flying man. We shall hear from their pilots, take it from me. They have been studying the air for ages. They are taking hold of the newest form of aircraft readily, because they see its possibilities probably to a greater degree than any other people on earth. Yes, this is the big field for the aeroplane. It needs no roads or wide and deep channels. Heaven gives us roadroom and before long China will be absorbing all the aircraft we can build for her airmen."

Major Stevenot made an excellent impression in Peking and as a result of his visit the Chinese navy department is sending a number of specially qualified naval officers to Manila to take the flying course at the Curtiss Aviation Field. As the official Far Eastern representative of the big American aircraft corporation, he covers Siberia, Japan, China and the Philippines—huge and rich aviation territory. He knows his ground and the natives of the soil. It would be hard to find a business man in Asia who is more deservedly popular than Stevenot.

**T**HE gentlemen in possession at Peking have named C. T. Wang as one of the Chinese delegates to the League of Nations. He may go—and then he may not. For his own sake, and for China's sake, we hope that Dr. Wang will remain in China and co-operate with other high-grade Chinese statesmen in taking this country out of its present very messy and muddled political condition.



Dr. C. T. Wang

At Paris, Wang gave dignity, manliness and common-sense to the Chinese delegation. He was a notable figure wherever he went. He stood up for China, but he refrained from black-guarding Japan. He was respected and liked at Japanese headquarters in the Place Vendôme. He had the ear and the good will of the American and European delegates. The great Greek, Venizelos, told us, one evening, that Wang's speech at Athens was one of the finest flights of convincing oratory he had ever heard; praise, indeed, when it is remembered that few men can hold an audience under spell of speech with anything like the ease and grace commanded by the Hellenic premier.

Wang knows the West. At Paris, he looked realities in the eye. We remember well his emotion that terrible night when April was paling into the dawn of May Day, and China was drinking deep of the hemlock of the Kiaochau decision. Better than any other Chinese, Wang knows the "fool's paradise" in which too many of his compatriots are living—the pitifully absurd reliance upon an appeal to the stillborn League of Vain Notions.

The next few months will decide the career of C. T. Wang, of Yale; and they will also decide the immediate future of China. China's chief need is an honest political hero—a man bold enough, and honest enough to tell his people the harsh truth. To "play safe," at this stage of the game, is to step down and out—or to go to Geneva. Unless all signs fail, one will not have to use honest-to-goodness cuss words in the days to come. It will suffice to say, "Go to Geneva!"



"**H**E'S a Bear!" He is, in sooth. James H. Bear, "The Palmolive Man," has been interesting the Chinese in soap and such things. It is our whispered impression that China could do very well with more soap and the Palmolive products move on their fine reputation. They are sure to move swiftly around China with "Jimmy" Bear greasing the track. He is the sort of traditional American salesman who could sell fur-lined overcoats to the Sudanese or Scotch whisky to Bill Bryan.

At home, we knew that one really was not quite in good standing or much about town if he was not known to Mr. Bear. To be regarded highly by both Mr. Bok, of Philadelphia, and Mr. Chaplin of many parts, is quite a feat. James Bear has done it and more. He has won the confidence of the most substantial Chinese in the space of a comparatively brief time.

"I like these people," he told us while we were looking over his samples at the Astor. "They have golden qualities. We are going to do considerable business here. I believe in doing business with them direct. If the Chinese is good enough to do business with, he is good enough to handle the business direct with the American producer, and he is good enough to come in through the front door and mingle socially with the men who are selling their goods to him. I do not think it is good business or fair treatment to adopt a 'stand-off' attitude, leave everything to the comprador and then wonder why the balance of the China trade is against us and the dollar at a discount, as it was for such a length of time. Direct dealing with the Chinese is the road to success in selling to China."



Mr. James H. Bear

### The Sweet Tooth of "Dry" America Causes Sugar Shortage in Japan

According to a writer in the *Japan Times*, the sweet tooth of "dry" America is causing something like a sugar famine in Japan. The price to the Japanese consumer has soared to new high altitudes, he says:

"The influence of high prices in foreign markets has made many of the Japanese speculators sell their stock, which was imported from Formosa and Java for local use, in view of the wide margin of profits realized through the re-sale of supplies laid up by them. This has resulted in a gradual decrease of sugar in the Japanese market, and stimulation of the foreign markets, the prices having gone up considerably, the latest quotations being about Y.58 for refined sugar and Y.50.30 for centrifugal.

"According to the latest advices received by the Mitsui Bussan Company, this year's sugar output in Germany is estimated at 1,160,000 tons, an increase of 410,000 tons against 750,000 tons yielded last year. This is being consumed in Europe only, which is also importing the staple product from other markets. The quotations of Java sugar are further advancing, the price having gone up to 74½ guilders for June delivery, 74½ guilders for July delivery and 73 guilders for delivery in August. A good bit of the Java crop is being shipped to Europe, where higher prices are offered. Further advances in Java sugar will push the price up in Japan, and Japanese refined sugar may eventually go up to the Yen mark, which will mean that sugar will cost Y.1 per *kin*."

### Automobile Startles Horse Show

A "Petrol Horse" proved a striking feature of the annual Stock and Horse Show recently held at Denver, Colorado, U.S.A. An Overland 4 automobile, embellished with a long flowing tail and horse's head of papier mache, and driven by a "Jockey" in red and green silk costume, made an eighteen foot jump in the air, clearing a five foot hurdle. This extraordinary feat, arranged by an enterprising Willys-Overland distributor, demonstrated to an audience of 15,000 that the new Three point suspension Triplex springs, a feature of the new Overland 4, could stand the terrific impact of landing, estimated at 42,000 lbs. After the four-legged animals had been put through their paces before the show crowds, the "Petrol Horse" performed. Locking the steering wheel, the driver started the engine and stood cracking his whip and acting the role of circus ringmaster, as the car ran around him in a circle. Then taking a short start, he ran his car at a runaway approach and jumped it over a five foot hurdle, clearing eighteen feet between runways and landing without mishap. More than forty jumps were made in all, during the show week.

### Japanese Want Open Door

"There is a good deal of disappointment in Japan," says *The Herald of Asia*, "over the increasing suspicion of this country that appears to be gaining ground in Australia, fomented, no doubt, by the rabid white Australia party. Recently officials of the Commonwealth have been expressing distrust of Japan; and Japanese steamers have been deprived of certain privileges of trade in the islands under mandatory rule from Australia. Even during the German régime in these islands Japanese vessels were free to call at the island harbors, although there was no special agreement with Germany as to the matter, Japanese ships being accorded the same privileges as British. But now it seems that this freedom is restricted. Is this not contrary to the Peace Treaty? Article 22 of the League of Nation's Covenant guarantees freedom of communication and passage to all countries signatory to the Covenant, and also equality of commercial treatment for all such countries. In view of this, and also because of natural right, it will be very difficult for Japan to acquiesce in Australian discrimination against our ships in the islands of the South Seas. The case appears all the more impossible in view of the fact that ships of other nations are reported not to have met with such discrimination from the mandatory authorities of Australia. It is reported that the islands under Australia mandate suffer greatly for lack of more frequent communication facilities; and for that reason to welcome Japanese ships would prove of great service to the islanders. It does not speak well for the spirit now prevailing between the Allies that a policy even harsher than that which the Germans adopted, should be allowed to prevail in the South Sea islands."

### Japanese Firm Buys Clubhouse for Employees

An illustration of the progressiveness of Japanese firms in New York, and their influence in the commercial life of the metropolis, is seen in the purchase of the handsome grounds and clubhouse located at Howard Beach, Jamaica Bay. The building was erected about five years ago by the Metropolitan Trust Company for its employees. The property was sold to Mogi and Company, Japanese importers and exporters, for use as a clubhouse and vacation place for the employees of the firm at a price close to \$30,000.



# The Far Eastern Review

A Monthly Review of Far Eastern Trade, Finance and Engineering, Dedicated to the Industrial Development and Advancement of Trade in Far Eastern Countries

ENGINEERING FINANCE COMMERCE

5 JINKEE ROAD, SHANGHAI, CHINA

Telegraphic Address: Farview, Shanghai

SHANGHAI, JULY, 1920.

## The Policy of The Far Eastern Review

**T**HERE has been no change in the policy of THE FAR EASTERN REVIEW. To-day, as always, THE FAR EASTERN REVIEW expresses the mind and the will of American and Allied business in Asia. Its ownership is purely and distinctly American; and it represents the business sentiment of America when it stands, as it does, for fair play and good feeling between all foreign investors and traders in China. That is a business-like policy, and the only policy that will surely advance all Occidental interests in Asia.

As a definite part of that policy, it stands unflinchingly for justice to China and for justice to Japan and the Philippines. It does not believe in blackguarding any Asiatic people. It does believe in fair and timely and friendly criticism. It has no axe to grind in the sordid interest of any mischievous faction. For that reason, its independent, untrammelled judgment may be of some service to those who have healthy and wholesome interests in Asia. It forms its own opinions and expresses them without fear or favor.

The policy of THE FAR EASTERN REVIEW is not for sale, directly or indirectly. Advertising space is always for sale, purely as a business proposition; and we are always interested in the views of our advertisers. That is sensible and proper. It is not sensible or proper for advertisers, individually or in groups, to seek to throttle editorial opinion. That is anti-American and it has failed wherever and whenever it has been attempted under the American flag.

Regarding political questions, it is inevitable that there shall always be differences of opinion. Honest differences of opinion are wholesome; they make for progress. Honest men do not stoop to blackmail or boycott. These are the weapons of the coward and the thug.

THE FAR EASTERN REVIEW has been of some service to the deserving people of China. Its deep interest in the welfare of the Chinese people was never more evident than in its timely disapprobation of the miserable conspiracy which seeks to intensify bitterness between two Asiatic peoples and to involve America in war without the least regard for American welfare or international justice.

The Japanese and Chinese people are going to be good friends. America's part is to help and to hasten that friendship. THE FAR EASTERN REVIEW is very proud, indeed, to lead the way. It is not the first time in the history of this publication that ours has been the privilege to lead the way. It has become a sort of habit with us.

For those who honestly disagree with our views, we cherish respect and friendship. For those whose motives are venal and whose manners are not respectable, we have as much use as a dog has for his father.

Leadership is never accidental.

\* \* \*

## Opportunity and the Man

**A** WRITER in this issue of THE FAR EASTERN REVIEW gives some personal impressions of the new American Minister to China, Mr. Charles R. Crane. They are friendly impressions, pleasant personal touches, as become both the moment and the man. The present situation among Americans in China calls for leadership of a high order. THE FAR EASTERN REVIEW will welcome such leadership from the American Minister.

It is not merely prudent, but it is proper to assume that Mr. Crane will ultimately measure up to his opportunities. He must realize, and the President who appointed him must know the deadly dangers that beset his path. Failure, in his case, means far worse than personal discredit. Should he lack either the heart or the head for his task, and for one reason or another come a cropper, then the bill will be presented not to Charles Crane, multi-millionaire and amateur Asiaticus, but to the American people and principally to the Americans who are here, on the Asiatic seaboard, for business and not for bosh.

Therefore, taking time by the forelock, we strongly advise Mr. Crane to be more guarded of his speech—to take the full measure of the Far Eastern situation before he attempts to call professional Asiatic diplomats to school. Threats, however veiled, will destroy his usefulness and dig his official grave.

Minister Crane is absolutely right when he says that all Americans in the Far East ought to stand together. That is a consummation devoutly to be wished. Still, it is pertinent to ask: For what are we to stand together? Americans are not sheep who blindly follow a ram through any crack in the fence. We are very willing, but we want to be shown, when it comes to the matter of leadership. A purse or a post are not the sole qualifications for American leadership.

When we say this, let there be no mistake. THE FAR EASTERN REVIEW is a devout believer in Big Business and in Big Business Men. It is the unashamed spokesman for Big Business, and all business, in Asia. Big Business frightens only the fool or the fanatic. For Mr. Crane, the representative Big Business Man of America, we acknowledge unreserved respect. For Mr. Crane, the simple American gentleman, we have real affection. He is a fine fellow, undoubtedly; a sincere, honorable, good-natured, companionable chap. For the American Minister, there should be, and there is, sympathy and a friendly ear. These things go without saying.

Nevertheless, as the peerless former friend of Mr. Crane's most distinguished friend oftentimes reminded us, "a public office is not private snap." In confronting the realities of Asia, Mr. Crane must forget that he is Charles R. Crane and remember at all times that he is the American Minister who has consented to take upon his shoulders a load of responsibility, the weight of which might stagger any man.

His known and proved friendship for China is a real source of strength. America's unmatched patience with a long and wicked succession of double-dealing mandarins is a solid, substantial foundation. Had we lacked patience or the generous will to mediate, the Chinese people would not now be bothered by any political problems in this late day of tuchuns and turmoil. All their political problems undoubtedly would have been solved for them—by others, and a good many moons ago. Deep down in their queer hearts, the weasel-minded gentry of the Waichiaopu know this; and, possibly, in their own peculiar way, they may nurse a spark or two of common, or coolie, gratitude.

His travels in Asia, and his previous contact with the Chinese, should aid Mr. Crane. He is no stranger to the ground. Also, he takes to his tasks the shrewd head of a successful business man. All these considerations make for success.

What does he know about the politics of the Far Eastern Pacific? Does he come to Peking with an open mind and a sound knowledge of the diplomatic background, or is his head stuffed with the poisonous gases concocted by pestilential parasites who thrive upon the miseries of the Chinese and make false faces for the mandarins? Minister Crane must himself supply the answer.

He can be leader and Minister or he can be follower and phonograph. If he cleaves his own path, as becomes his oath, his office, and his natural honesty, criticism may be part of his portion but it will have to be tempered by respect, and it will very likely be offset by success. If he proves himself not the real Minister but merely the monkey manipulated on the stick of a certain Living Buddha whose prayer-wheel is ever busy with strange invocations to weird phantoms, why then we shall be sorry for Mr. Crane but more mournful because of the evil that will be done to American opportunities in Asia.

Therefore, Minister Crane, cut the painter of dangerous entanglements and strike out for yourself! LEAD! Your keynote is a good one.



Your subsidiary tale about that final conference with "Sinn Fein" Colby, "Neuter Gender" Baker and "Sailor Joe" was, if you will pardon us for saying it, hilarious. These three "Must-Get-Their's" will get all that is coming to them before the Ides of next March. Also, with your own knowledge of Asia, you must surely agree that what the Ticklesome Three wot not of the Pacific would fill more books than poor Dr. Morrison (rest his soul!) brought together in his library. What is it you say? Just for the ear of the mandarins? Well, in your place, we wouldn't say such things. Some people might take them seriously, and that would spell disaster for yourself, for your mission, and for your own people, whose advance guard in Asia will welcome your leadership, IF ONLY YOU WILL LEAD!

\* \* \*

## To You, Mr. Hsu!

OUTSIDE the limits of the foreign settlements, to-day, there is neither peace, order, nor government in China. Nor is there any visible sign of a disposition on the part of any Chinese individual or group to clean up the evil-smelling mess that masquerades as Chinese politics. Do the Chinese possess any political sagacity? Do they know the meaning of patriotism? These are questions that they should ask themselves, now, because they are questions that are being put very seriously in the chancellories of the powers.

Until Russia went to pieces, the western powers could afford to play with Chinese politics. After all, it suited the interests of the majority that China should not be required to pay too hard or too heavily for her political peccadillos. The German-Russian conjunction has warned Europe that some sort of counterpoise must be found in the East. And where can it be found? Young Koo says "China." Let us see. Can this counterpoise be found or developed by a people who are willing to stand for an Old Hsu?

Chinese have been blaming President Wilson, America and Japan for the Shantung decision. The blame rests within their own doors. The guilty man is the so-called president of their burlesque republic, Old Hsu.

Old Hsu yearned to fill the vacant shoes of his defunct partner in Chinese political jobbery, Yuan the Miserable. A working quorum of tuchuns told him he could have the job at a knock-down price. So Old Hsu set his sows to work and, in his name, they begged Japanese to put up the money. The money was provided and the consideration was the Goto-Chang agreement of September 24, 1918, under which China was legally bound to accept Japan as the successor to Germany's rights.

That was the reason why President Wilson had to bow to the inevitable at Paris. Old Hsu's "pound of flesh," his bond with Goto, defeated China and the peace delegates named by Old Hsu. Sage statesmen split their sides with laughter while the story was being told in the Paris clubs, and while Young Koo was imitating the attitudes of Webster and making the late Mr. Edmund Burke and Lord Macaulay look like mutes compared to his own babbling brook of speech. Chinese political incompetence was advertised broadcast in the capital of the civilized world.

Does even a Chinese politician suppose that any modern nation will be willing to take seriously a people who confess political incompetence by toleration of the tuchuns and their creature of the moment, Old Hsu? Is there not one honest man among the Chinese with actual experience of the western world who can muster the courage and capacity requisite for present-day Chinese leadership?

If there is such a man in China, nothing is more certain than that he could count upon the sympathetic cooperation of every foreign friend of China. In America, in England, in France and in Japan, there is real friendship for the people of China, whose splendid virtues are neither unknown nor unrecognized. The more one knows the Chinese people, the better one likes them. The closer one gets to the Chinese politicians, the more startling and disheartening are the contrasts they present to the nation that they misrepresent. On the one hand, a people admired and entitled to esteem; on the other, a horde of rascals despised and compelling contempt. And perpetuating in his person the orgy of misrule, on the neck of prostrate China sits the tool of the tuchuns, Old Hsu, hanging to office by the skin of his teeth.

Talk of Chinese reconstruction under an Old Hsu is moonshine. Possibly, a glimmering of the truth may penetrate the mediaeval mind of the bondsman of Kiaochau. He may decide to get out, before he is put out. All things are possible—even in Peking.

Here's your hat, where's your hurry, Mr. Hsu!

\* \* \*

## Japan and America

THERE is not going to be any war between Japan and America. Americans who are telling Chinese that all they have to do is to keep on bawling and American boys will do the fighting for them are either wilfully misleading a sufficiently misled people or else they know very little about the temper of their own folks at home. The wholesome fact of the matter is that Americans at home are almost a unit in the disinclination to waste powder or shot, or blood or bullion upon anybody's quarrels but their own. The people of America are thinking of peace, not of war.

In the Far East, there is still talk about "making the world safe for democracy." Gentlemen go around from place to place ascribing America's entry into the war to Wilson's worn-out slogan. Well, it was riddled full of holes long before the homecoming of the American armies who made the world safe for America in France. We took part in the war in defence of our own honor as a great nation. That is not an unworthy thought or an improper confession.

At the Conference of Paris, we learned a few things. Even Mr. Wilson found it possible to learn a thing or two, at Paris. Self-determination, for example, proved Dead Sea fruit; it crumbled into dust, and even the dust blew away, when the cover was taken off the dish at the Quai d'Orsay. Getting right down to brass tacks, the Paris Conference divided the world into four parts: governing nations, self-governing nations, people that may achieve self-government, and people who must be governed.

The actual government of the world was divided between the five great powers, America, England, France, Italy and Japan. Their title rests primarily upon power, but also upon principle. Mr. Wilson confessed the fact on May 31, 1919, when his consistency was assailed by a number of the lesser delegations. All government, ultimately, rests upon power. So the five great powers undertook to usher in the New Freedom by pouring pooled power into the feeding-bottle of their League of Nations.

The self-governing nations comprise the sturdy British dominions as well as all sovereign states (including enemy states) not among the five great powers. The mandatory principle was applied to assist certain backward people to become self-governing and to govern people who lack the ability to become self-governing. This division of the world into four parts was the one practical outcome of the Conference of Paris.

This decisive division ought not to be overlooked by those who talk glibly, foolishly and wickedly about war between Japan and America. Japan is a governing power, as is America, as is England, as is France, as is Italy. The judgment of Paris, the welfare of America, the interest of England, of France, and of Italy, entitle Japan to a square deal in all matters that concern Japan's rôle in the New Freedom.

The rejection of the Treaty of Versailles by the United States Senate, the failure of the Quai d'Orsay League of Nations, the collapse of the Victorious Alliance, do not necessarily affect the salient decision of the Peace Conference. Modified it undoubtedly may be (and probably will be) within the near future; but, in essence, it will stand, because it is based upon fact, and reason, and prudence.

Order and stability are the first requisites of modern international life. Where there is disorder, some governing power or powers must step in and create order. Self-interest will draw certain of the powers into line regarding definite objects. There must be give and take, a healthy recognition of *pro tanto quid retribuamus*. In Asia, in the Pacific, that is very much the case.

Never was the wisdom of British statecraft more abundantly proved than in the making, in 1902, and in the subsequent renewal of the Anglo-Japanese Alliance. Ludendorf, bemoaning and explaining Germany's defeat, pays tribute to the one conspicuous



service of Lord Lansdowne. And at no time has the Alliance been more desirable from a purely British standpoint (and from an American standpoint) than it is now. A peaceful solution of the more pressing Asiatic problems requires patient team-work on the part of the four Asiatic powers, Japan, England, France and America. They are the only Asiatic powers, to-day: Japan, the one sovereign Asiatic nation; England, whose keystone of empire is India; France, more eager than ever to develop her civilizing work in Tonquin; and America, in honor bound to carry out her pledges to the Filipinos.

There never was any room for doubt that the Anglo-Japanese Alliance would be renewed. *The New York Herald* predicted its renewal through the instrumentality of Baron Hayashi, eight months before the Baron was officially announced as the successor at London of Viscount Chinda. There never has been the slightest ground for suspicion that renewal of the Alliance would in any manner menace America. Such suspicions have been due partly to ignorance and more largely to prejudice.

It is quite true that neither in Japan nor in America is there a clear understanding of the Pacific Coast race question. Japanese who seem to think that Japanese colonization in America is tolerable by Americans, or to the advantage of the Japanese empire, are hammering their heads against a very solid stone wall of opposition. There will be ill-feeling in both countries until the Pacific Coast question is considered as a part of the whole Asiatic question, just as there will be ill-feeling in Japan and Australia until wisdom finds a way in which Australian interests can be safeguarded without infringing Japanese dignity. There will not be security for Occidental-Oriental relations until the western powers reverse the iniquitous 1905 decision of the Hague Court depriving Japan of the right to tax or touch the leases obtained in years when Nippon, like China, was compelled to wear the yoke of ex-territorial jurisdiction.

The present lamentable state of China calls urgently for complete unanimity of action on the part of the four Asiatic powers. Interest ties them together—not merely their own particular Asiatic aims, but the special interest of China, beyond and above everything else. That Old Hsu and Young Koo and the sows of the Peking trough are rattling their chopsticks in frantic efforts to split them asunder is merely one more reason why they should pull together, unite in support of the most available honest Chinese leadership, and give China a genuine upward impulse.

The Chinese have but a limited time within which to make up their minds whether they will act in their own behalf in copartnership with the four Asiatic powers or persist in their present course and invite a form of international intervention which might forbid American participation. The existing chaos cannot continue indefinitely. It might happen that a combination of powers might feel compelled to intervene along lines that the Congress of the United States could not indorse as conformable to American policy. Where would China be, then? In the soup, undoubtedly; and the Chinese might sip what satisfaction they could find in the reflection that they would have permitted the Old Hsus and Young Koo to boil them in their own hot water.

The war talk picking upon Japan as the enemy of America originates among wishboned Chinese malcontents who are a menace to the peace of the world. Sedition in Korea, in India, in Ireland, and elsewhere, is fomented by the same group of cowardly conspirators. Unable to lift a constructive finger to allay the unrest in their own country, they are doing their worst to set other nations by the ears. They were hand in glove with our late enemies. They have had a dirty finger in every foul international mess since their monitor, Li, made China the harlot of Muscovy and provoked the war between Russia and Japan. Under that sort of misbegotten leadership, China is undoubtedly a menace to international peace.

What prospect does such conspiracy offer American or European business in China? What security is there for any legitimate investment? The American business man who permits himself to be beguiled by the sophistries of such mischief-makers lacks either intelligence or patriotism, or both: and he is a very poor friend of China.

Unquestionably, the Japanese have much to learn before they will reap the full fruits of their great sacrifices and splendid efforts. There are, as Mr. Bland says, grave causes of western complaint against Japanese policy and Japanese acts. Neverthe-

less, the Japanese can claim with pride that they stand for order in Asia, and order in Asia is the first requisite of modern business. We are here for business. We are not here for bosh.

There is not going to be any war between Japan and America. Chinese and other conspirators who are sending around the hat for tael and carrying on an organized campaign to incite these two friendly nations into war will do well to remember that this is the year, 1920, not 1902 or 1904, and that the American people are not Romanofs or Lamsdorfs. They will also do well to remember that friendly to China as Americans most undoubtedly are, America is also the friend of Japan, and Americans do not forget that Japan is the chief Asiatic advertisement of the practical worth of America's diplomacy in the Orient. Americans would like to see China taking a leaf out of Japan's golden book, reviving once more the noblest traditions of Chinese efficiency and prosperity, manifesting some political intelligence and backbone and proving (not by wishbone, alone) China's right to full membership as a really sovereign, self-governing state in the New Freedom of healthy realities which seems likely to arise out of the ashes of a nebulous League of Vain Notions.

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## End the Anti-Japanese Boycott

END the anti-Japanese boycott! It is immoral.

The Chinese pride themselves upon their moral rectitude—their loyalty to principle. The proof of the immorality of the boycott is the continued presidency of Hsu Shih-chang, who begged the emissary of Goto to give him the yen to buy his way into control of coolie army and mock parliament. Any boycotting that the Chinese feel like doing could be done much better closer to home.

End the anti-Japanese boycott! It is foolish.

All it has brought the innocent, hard-working coolie is fourteen dollar rice. The poor people starve and the merchants confess bankruptcy while crackbrained students, with their half-baked ideas, shout themselves into temporary importance. These immature Jacobins care nothing about the real welfare of China. They are incubated anomalies, incapable of an honest, patriotic thought or action.

End the anti-Japanese boycott! It is dangerous.

China has good and honest friends in Japan, to-day. These Japanese friends of China are men—*real men*. They may grow tired of sympathising with overgrown children whose general behavior is a menace to Asia. Not the militarist curse of China, but the strong hand of honest Japanese friendship has saved the Chinese from conquest by "The Sabres." The mere fact that Japan is an Asiatic nation does not seem to contain any good reason why China should nurse resentment against Japan.

End the anti-Japanese boycott! It is already a fiasco. It has burned the fingers of every Chinese and foreign concern that sought to profit by Japan's loss.

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The boycott is a mean and cowardly weapon. It has always been associated with cowardice and crime.

British firms in China who have given passive assent to this foul assault upon an Ally would do well to remember Gladstone's famous indictment of Parnell:

"He stands, like Moses, between the living and the dead; but, unlike Moses, his object is to spread, and not to abate the plague."

It is quite conceivable that the weapon countenanced by foreign firms to-day may be employed against themselves, to-morrow. We do not forget the boycott and the burning of imports at Chinese ports, thirteen years ago.

"He jests at scars who never felt a wound."

\* \* \*

The basis of business is credit and character. The character and credit of western houses in China are not enhanced by descent to the tactics of the Thug.



The boycott is an illegal weapon. It is the vilest form of destructive combination. It cannot be tolerated in China and outlawed in England or America.

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It is not good sportsmanship to put an unfair handicap upon a competitor. The boycott is anti-British and anti-American.

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## Brass Tacks

THREE years hence, China will have to accept Japan's possession of South Manchuria or go to war to enforce her absurd pretensions. The Russian lease will have expired and it will be up to China to show cause why the 1915 extension should not operate. Japan will not worry; all the worrying will be done in China.

Japan's right to South Manchuria is as clear and clean as America's right to Texas or England's right to India or South Africa. If Japan has been evasive in asserting her right, the evasion has been compelled by the so-called civilized powers.

The scandalous correspondence between "Willy" and "Nicky" gave the whole show away. Now, we know beyond question things that were suspected since Li and Lobanof concocted the Peking-Petrograd alliance against Japan and England. Under that alliance, China became the harlot of Russia and the South Manchurian railway and fortification of Port Arthur were planned and plotted against Japan. The Japanese rose to the challenge and occupied South Manchuria. If Roosevelt and Root had known the secret history of the conspiracy, the Treaty of Portsmouth would have confirmed Japan's sovereignty and the world would have been spared much crooked diplomacy. We know, now; and it is pertinent to ask: Is China beyond or above the law of nations? Has she the right to provoke war between other nations and avoid paying the penalty?

If Minister Crane will take time to go into the actual history of the Manchurian muddle, he can put himself in a position where he would be able to settle the Shantung squabble and bring about an honest peace and understanding between Japan and China.

It is good neither for Japan nor for China that there should be another period of "nibbling away" at China's misgoverned domain. The politicians of China are disreputable blackguards, almost without exception. Sun is seemingly alone in honesty, but he seems to be an unacceptable socialist. He might prove as dangerous as Lenin or Trotsky. We cannot afford to experiment with men whose political cerebration is a menace to orderly, organized society. Wu is a back number. Tang never really arrived. The younger men seem to be either weak in the head or between collarbone and pelvis. They lack spine or sagacity. They are all froth and wind and no punch, patriotism or prescience. A sorry horde of scalawags scramble for all that is left of the pomp and power and plunder of the Chings. Nevertheless, there is real worth in the Chinese people and good political possibilities in China.

What China really needs is an American commission similar to that which organized civil government in the Philippines. Every Chinese who has been to the Philippines will admit that—privately and in a very soft whisper. The Chinese grafters who are plundering and misgoverning their afflicted people would scream themselves into catfits at the very suggestion of such a possibility. They need not worry. It will never happen. If they had the sense and patriotism to beg Congress to tackle the job, Congress would probably tell them to go—to Geneva!

It will not happen; but, for China's sake and the world's sake, it ought to happen. It is more than doubtful that the Chinese will ever pull out of their present mess without some sort of foreign assistance. And that is the only sort of foreign assistance that would be certain to cure without risking partition of China. The partition of China is more likely to-day than it has been in any hour of the last quarter of a century. The dread of it hangs like a dark shadow over the heads of the great

powers. No power on earth desires it, but Chinese folly invites it.

The Republic is a ghastly failure. Marshal Tuan says he could restore order in China in short order, if only the powers would give him a back and the money—especially the money. Marshal Tuan might do it, with foreign gold and native guile; but what then? Does anyone believe for a moment that Tuan is one whit more loyal to the Republic or more in tune with western democracy than the mediaeval usurper under whom he learned his miserable trade? Help Tuan into the shoes of Yuan and it would be six of a dead despot and half-a-dozen of a living tyrant. No. That is not the road to progress in China. What is to be done?

Supposing that all the powers should listen to Old Hsu and Young Koo and take their absurd pretensions seriously; give them back all the foreign concessions, permit them to make their own tariff laws, collect the customs and the salt gabelle—try foreigners in Chinese courts!—would that help China? Would any of the foreigners who spout about "foreign injustice to China" care to live under the fingers and thumbs of Chinese officials? Not a man Jack of them. No, friends; that is merely parasitical poppycock. What can be done about it? Just this much.

China cannot grow strong under the deadly fear of Japan, particularly when this fear is stimulated by nice christian gentlemen who have it in for the pagan power of the East. Much of the hatred of Japan is born in bigotry. So long as the Chinese are encouraged to fear Japan, there will always be bad blood between Japan and China, and there will always be justification of Japanese militarism. Self-preservation is the first law of nature.

Encouraged and assisted by genuine Japanese friendship, the Chinese might develop into a strong nation. That would materially help Japan. It would be in the nature of Asiatic international assurance. There is only one Asiatic sovereign power, to-day. There is room for a second Asiatic power, China. If the Chinese had sufficient political intelligence to court instead of to affront Japan, all the western powers would revise their Asiatic policies within the shake of a mare's tail. They would begin to sit up and take notice. Danger of aggression would cease.

Such a genuine understanding between the governments and peoples of China and Japan would be assisted by a fair settlement of the Kiaochau question. It could be managed in this way:

Minister Crane's fondness for the Chinese is notorious in a nice sense. He seems a fair-minded man. Without question, he is an honest man. We do not believe that he is ill-disposed towards Japan. He may not know much about the Japanese. All the more reason why it would pay the Japanese to take a long shot and invite Mr. Crane to preside over a Chinese-Japanese conference to settle the Kiaochau question.

Any real settlement of the Kiaochau question will involve settlement of the Manchurian question. The two problems hang together.

Japan is the rightful owner of South Manchuria. The Chinese frontier should be rectified to create a real, instead of a fictitious boundary line between the two countries. The longer this is delayed, the worse it will be for China.

If China is willing to rectify the frontier, Japan should be willing to join in appraisal of the government properties created by Germany at Tsingtao (adding the Japanese improvements), and of the mines and railways now held by Japan in Shantung. Put a price upon them. Let China offer to pay this price, and let Minister Crane put it up to his friend, President Wilson, to float the bonds and pay over the money for China. Congress could not refuse assent, after all the tall talk about "the Shantung infamy." Congress would have to put up, or shut up—in either event, an advantage.

Having reached this settlement, it would be possible to create a model Chinese settlement at Tsingtao along the lines sketched by a Japanese delegate at Paris to the correspondent of *The New York Herald*. The railways and mines would come under the reorganization suggested by Mr. Rea in previous issues of *THE FAR EASTERN REVIEW*. A real start would be obtained



from which it would be possible to prod China into real reconstruction. That is getting down to brass tacks. How about it?

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All that Peking needs is cash—and some honesty and common-sense.

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## The Airship Comes Home

**A**N American seaplane is coming across the Pacific to China. Last month, we welcomed the winged visitors from Rome.

News dispatches from London tell us that British airmen are planning a flight to Peking. And we have with us, just now, in the capital of Cathay, the French friend and scientific associate of Wilbur Wright, gifted Mr. Paul Painleve. French flying ships are sure to follow.

All are welcome. They come to the birthland of the airship, and the airship is coming home. China first sent aloft the heavier-than-air and lighter-than-air sky cruisers.

Many centuries ago, a Chinese general found himself confronted by an army far larger and much better armed than his own. He had a very "bad quarter of an hour." Defeat and disgrace—not to speak of decapitation and a headless and riceless future in the Chinese hereafter—stared him in the face. The idea of holding his head in his hands, with consequent separation from the rice bowl throughout the long years of eternity, weighed upon his proud spirit like a large lump of lead. He did not relish the prospect at all. Suddenly, a bright idea came to him. He sent for the chief carpenter and the master of the musicians and issued hurried but specific instructions. These were executed with most surprising celerity. The carpenter and the music master had also been worrying about their future rice rations. Very seriously, and not alone, they had been calculating their chances of leading the advance towards the rear.

At moonrise, that evening, strange and gigantic shapes were seen to rise upward from the ground. They soared aloft. They circled over the camp of the enemy. Then the air was filled by soft music—the home songs of the ferocious foe. The sentinels of the opposing armies were aroused from slumber. The enemy general and all his soldiers listened first in delight and then in poignant pain. Downward, through the pale moonlight, aerial devils were singing to them the songs of their own land, making them most horribly homesick and very undesirous to risk any chance of gaining headless and riceless hereafters. They fled from the field, leaving the author of this innovation in the science of warfare a bloodless and most honorable victory and renewed hope of perpetual propinquity to the soothing and satisfying staple. His kites, carrying the music-makers up into the moonlight, had done the trick. The way to win battles is not to risk your own precious neck but to make your enemy homesick "by filling the night air with the dreamy songs of the foe."

The Emperor, mourning a favorite wife, honored her anniversary by sending into the heavens hot-air balloons. The lady was so affected by this manifestation of conjugal devotion that she shed plentiful tears. And all the other deceased wives who had not been thus remembered cried in vain regret. So the long-continued drought was broken by a rainfall of heavenly tears, and the crops perked up and everybody on earth rejoiced and gave thanks to the Emperor who kept up the custom of sending up hot-air balloons on his wife's anniversary every year until the day of his death.

These old Chinese stories have a practical meaning, to-day. The airship is coming home. Aircraft will find its widest and richest field in China.

It solves the greatest of Chinese problems—communication and transportation. It brings Chihli and Kwangtung and Yunnan and Shantung and Szechwan and Chekiang into near neighborhood. It can bring understanding and peace to China. It might end the miserable reign of the tuchuns.

It gives China the necessary immediate substitute for no roads and too few railways. The airship will do the work while the roads and railways are being built.

Aircraft needs no introduction to the age-old mind of China. China understands, as a matter of course, because the modern airship is coming to the hospitable home of the most ancient aircraft. Unlike the road and the railway and the steamboat

"without eyes to see or hands to hold it up on the water," the aeroplane and dirigible have no prejudices to overcome. The air is free of prejudices. The Chinese studied aerial navigation before western man began to paint his body as a preliminary to the prehistoric period of the earliest western one-piece garment. The Chinese understand the airship and will take to sky pilotage like ducks to water.

We present in this number of THE FAR EASTERN REVIEW an officially-prepared account of the American manufacturers' plans for the peaceful aerial invasion of the Orient. In subsequent issues we hope to present in equal detail the plans of British, French and Italian aircraft establishments. There is going to be competition. There is plenty of room for good competition. Let it be—as we are sure it will be—sportsmanlike competition. Japanese aircraft will surely enter the field. There is wide room for all. And there ought to be room for the Chinese pilot and for Chinese aerial inventiveness. The airship is no longer a luxury. It ranks with wireless telegraphy as one of the most precious necessities of modern life.

Aircraft signifies speed. The middle name of to-day is SPEED.

The American aircraft manufacturers are entering the China field with well-laid plans and power and push back of their programs. The great house of Curtiss is on the scene with an expert airman, Major J. E. H. Stevenot, making the pace. America is ready to do big business in China and in all the world there is no greater field for aircraft than the wide domain of the Chinese Republic.

"Going Up!"

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## Port of Portland Growing

**"E**STABLISHMENT of a steamship line between Portland and Japan is the first recognition by a foreign steamship company since the war began that profitable trans-Pacific traffic is to be found at this port," says the *Portland Oregonian*. "It was reached on the strict merits of the port as a business proposition. The only other consideration was a desire to have goods bought in this country by Japan carried on Japanese ships, not entirely on American or other foreign ships. For several years the Toyo Kisen Kaisha has had a Portland line under consideration and has been gathering information about the traffic and facilities of the port. It was brought to a decision by the sight of full cargoes being carried on American ships from Portland at increasingly frequent intervals and by the allocation of vessels to run from Portland to north China ports.

"This success in expanding the commerce of the port is an example of what teamwork can do. For several years the chamber of commerce has striven to secure a T. K. K. line by supplying all information as to the traffic which could be provided by the port and its tributary country, and by showing the character of the channel and the facilities for shipping. In the absence of American ships endeavoring to carry this traffic, the proof was deemed inconclusive, but the foundation had been laid for future success. Then came information that large shipments of phosphate rock were to be made from southern Idaho to Japan, and the Oregon Pacific company moved to bring the traffic to Portland. The railroad rate was found to be higher than to San Francisco, though the distance is less. J. N. Teal called on the Union Pacific for an equal rate and obtained it, while Seattle was excluded by a rate that is \$1 a ton higher. Portland has the further advantage of large lumber shipments to Japan, which will complete the phosphate cargoes, while San Francisco has no lumber exports.

"The question of loading facilities then arose, and was promptly answered by the dock commission. Having been provided with funds to meet such a sudden call when the people voted \$5,000,000 of bonds, it met the pledge of traffic by beginning erection of bunkers which give quicker dispatch than any other coast port. Secretary Dodson, of the Chamber of Commerce, went east and laid the claims of Portland before the shipping board so forcibly that it allocated five ships for a line to north China and Japanese ports. That ended the hesitation of the Japanese, and they decided to run ships to this port and carry the phosphate themselves.



"There is no doubt that there will be business enough for both lines, for the Columbia river is not far behind Puget sound in the volume of its lumber exports, surpasses the sound in exports of flour, paper, meat products and wool, and is not far behind in canned goods and dairy products. There are extensive markets for these products in other countries fronting on the Pacific ocean, and Portland is assured of fair consideration of its claims to ships for lines to these countries when the vessels are completed or released from other routes."

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## "The Right Hand of Fellowship"

THE Newark (N.J.) *Evening News* is one of the remarkable newspapers of the United States. Its enterprise has been a material factor in the growth of the Jersey Chicago, which bids fair to annex all the rest of the state and (who knows!) maybe "the small town over the Hudson." The *News* had its own reporter on the western front and at the Conference of Paris. We had the pleasure of meeting Mrs. Dorrian at the Crillon and less queer places. Her work was good. Mr. Niles, the able editor of the *News*, visited the Far East so that he might form his opinions from first-hand knowledge.



The above cartoon is taken from our wideawake Newark contemporary, which (under the caption, "China's New Hope") accepts Mr. Lamont's concordat with Japan as "a long forward step in the direction of guaranteeing peace in the Far East." Wisely, however, Mr. Niles utters this timely warning:

"There are many other steps still to be taken if the consortium is to accomplish the ends sought. Civil war in China must cease and the North and the South must be reunited. The hordes of bandits and mercenaries now maintained as armies by the military chieftains of the various sections must be disbanded. Japan having joined the consortium on presumably fair terms, must be treated as a partner instead of an enemy, and the boycott the Chinese have maintained with such disastrous results to Japanese trade must be terminated. China's currency and taxation systems must be reformed extensively. Grafting officials must be retired from

power. None of these reforms can be brought about by force from the outside, but they can be realized by sympathetic assistance given to those who, ever since the revolution that overturned the Manchu dynasty, have been struggling for better things in China.

"It is a tremendous task that confronts those who have joined in the consortium, but it is one that is worth while."

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## Getting Along Without Coal

WHEN the Italian automobile industry is under consideration, Italy's lack of coal is often cited as one of the handicaps which will prevent the industry attaining the same development as that of other nations more favorably situated in this respect. The fact appears to be overlooked that, even under present conditions, coal is no longer indispensable to modern industry. Whilst in certain countries coal is the only source of power and heat, Italy has been so favored by nature in the matter of water-power that she can almost dispense with coal.

There is proof of this in the Fiat motor works, which, whilst being the largest in Europe are also the most completely electrified in the world, the whole of the electricity being obtained from water power in the Alps. At the present time no coal whatsoever is used for driving machinery. For power and light the big works of the Fiat Company consume 15,000 kilowatts daily, out of a total consumption of 50,000 kilowatts for the whole of the city of Turin.

The desirability, indeed the necessity, of dispensing entirely with coal, was early realized by the Fiat Company, and when the new steel works and the forges were laid out they were designed to be operated entirely by electricity secured from water power. The electric furnaces, in particular, are wonderfully fine, their design being such that the maximum output is obtained with the minimum consumption of current. The essential features of these furnaces are the subject of a Fiat patent, and in view of the excellent results obtained it is not surprising that numerous demands have been received from other firms to purchase the foreign rights.

It was in 1917, soon after the Fiat Company had bought up the Piemontaise steel works and forges, that the problem was tackled of securing sufficient hydraulic power and designing such a plant that no coal whatsoever would be required in the big Turin factory. Control was obtained of the Mont Cenis Hydraulic Power Company, which, by reason of its topographical and geological conditions, offered wonderful possibilities for obtaining electric current. The plant existing at that time on the Cenischia River was able to supply 65,000,000 kilowatts, of which 38,000,000 were available in summer and 27,000,000 during the winter months. This quantity of current will be considerably increased in the near future, through extensions being carried out on the Cenischia River. In addition to this, by increasing the size of the natural lake on the top of the Mont Cenis, the current available will be increased to 200,000,000 kilowatts, of which a very large quantity will be available during the winter months. When these extensions have been completed, the whole of the electric current produced by the Mont Cenis Electric Power Company will be reserved for the Fiat motor works at Turin, thus making it the biggest, if not the only motor factory in the world in which no coal is used for any purpose whatsoever.

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## Harnessing the Hangchow Bore?

AN item of great interest to Shanghai comes from Fredericton, New Brunswick, where, according to the home newspapers, "a bill has been introduced in the provincial Legislature to provide for investigation into the possibility of using the waters of the "Tidal Bore" on the Petticodiac River for hydro-electric energy.

"This tidal phenomenon is a result of the waters of the Bay of Fundy seeking an outlet after having gradually flowed in the



narrow inlet between Southern New Brunswick and Northern Nova Scotia. At high tide the water course suddenly sets up the Petticodiac River and attains tremendous momentum, forging ahead in a foaming wall. It is this power the legislators would put to some use, and appropriations for research work have been asked.

"There is only one other 'tidal bore'—that on the Tsin Tein River, in China."

If the Bay of Fundy tides can be successfully harnessed to supply electricity, the plan could undoubtedly be applied to the Hangchow Bore, and the current delivered at Shanghai at a rate that would assure to the port its supremacy as the manufacturing center of China. Why could not the Shanghai Municipal Council, in connection with the Chekiang Government, follow the lead of the New Brunswick Government and appropriate the necessary funds for an investigation of its nearby water power possibility?

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## America as a Market for Japanese Textiles

### One Effect of the Chinese Boycott

AMERICAN manufacturers have been urged to go into China at this time to skin off the cream of the trade while the boycott against Japanese goods is on. Well, if Japan cannot dispose of her manufactured goods in her near-by market, she will have to sell them elsewhere, and in view of the high prices prevailing in the United States, she may retrieve her lost position in China by a more lucrative market on this side of the Pacific. This is indicated in the following item which appeared in the New York Journal of Commerce on April 28:—

"A seller representing a large Japanese house was in the markets yesterday offering cloths and yarns for delivery in May-June from Japan. The goods are offered in some instances 20 per cent. under ruling market prices here, and have accumulated as a consequence of the boycott in China, it was stated."

In a previous number of THE FAR EASTERN REVIEW we dwelt upon the unwisdom of foreigners encouraging in any way the Chinese boycott against Japanese goods. What will it avail American industry and prosperity if we gain a market in China in some lines at the expense of Japan, when the reflexion sends the Japanese goods to America?

Analysis will prove that if Japan is boycotted in the Chinese market, many of her low priced goods will ultimately find their way into the high priced American market and undersell the home product, before the protective Tariff League could bring legislative action to bear to raise the duties.

The expert of the American Textile League, who recently advocated placing a ban on the importation of Japanese textiles into the United States, probably had some such contingency in view, as, obviously, with the present demand and shortage, it would be the only way to keep them out.

Boycotts like the boomerang, are liable to rebound with dangerous consequences to the thrower.

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## Mind Your Own Business

JUST as we are getting our finger nicely into every other nation's pie, along comes Bonar Law and tells us in that mild, courteous, British way, to "mind our own business."

"In the British Commons, Ronald McNeill, Unionist, asked the government if it had any official information regarding a projected movement to free the Philippines from United States control under the self-determination idea.

"Andrew Bonar Law, replying for the government, said he had no information on the question, which did not seem to be one in which the British government was concerned.

"Sir Edward Carson asked whether it was not better for each country to leave the other alone.

"Mr. Bonar Law replied he thought that in other words that was his answer."

And the *New York Telegram* adds: "Here is something else out of the Pandora's box of annoyances opened by President Wilson.

"It is gratifying, though, to notice that when 'the shallows murmur' any fool questions there is no pussyfooting about the answer."

Shucks, somebody is always taking the joy out of life. What are our professional busybodies to do if they cannot read a curtain-lecture to Johnny Bull and roundly abuse little Brother Banzai on their international shortcomings?

And now our own Little Brown Brother is talking out loud about self-determination, and independence, with, or without strings. It is incomprehensible. No one in Washington understands Tagalog, so why shouldn't the Filipinos address themselves to the other Powers, who by this time, have a most vivid comprehension of what it is all about?

Britain, France and Japan together with sundry other lesser states took a post graduate course in international morality at Paris and found that this great new world principle of self-determination would in due time, separate them from most of their best territories. Now, some funny joker amongst them is endeavoring to impress us with something of its real meaning by dragging in our own pet problem. Have we not promised the Filipinos their independence? Can anyone doubt our good intentions. Why nag us?

We have pulled, twisted and tied knots in the Lion's tail, and otherwise prodded, jabbed, banged and kicked the noble beast, in the hope that he might forget himself and lift his paw from Persia, Egypt, Ireland and other odd territories marked red on the maps. Has he budged? Nary a budge. Instead, he now yawns, and growls, "g'wan, I'm fed up with this. Mind your own business or I'll sic your Little Brown Brother on you."

Have we not accused France of militarism, of imperialism, and bully-ragged Japan and assailed her every move in Korea and Shantung? Are we not now trying to dictate to her what she shall do at Vladivostok, in Siberia and Manchuria? It is a long chance, but one never can tell. Perhaps the Filipino cry for independence under the self-determination idea, if taken up by Europe and Japan in the same way that we respond to the appeals of all their tributary peoples, might teach us to have some respect for the other fellow's problems.

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"Take a little air with me?"

The Manchus made hash of the Empire. Their successors have made poached egg of the Republic.

We asked our ricksha coolie whom he favored for President. "Jolson" was the answer. "Al" or Hiram?

About that launch ceremony—if China had made the pace for the American shipyards, would Kaiser Bill be a fugitive from Berlin?

In Europe and America, Chinese talk about "the construction of China." In China, these same politicians spend all their time hurrying along the destruction of China.

An Oldtimer remarked, after talking for a few minutes with Minister Crane: "That's a wise old bird." He's a bird, all right; and, with so many cormorants around, there ought to be room in Peking for a Crane.

Hiram lost the Republican nomination at Chicago. Don't worry, Mr. Johnson, you've a cinch in China, if you only knew it—every coolie vote in sight and no other presidential timber that you could notice!

When Dickens wrote "Hard Times" he never knew the real thing. Old Hsu needs more than a third of a billion to stop up the gap of the June settlement deficit. That's an awful lot of money for a poor Peking president!



# The Passing of "Morrison of Peking"

A Great Briton, a Faithful Friend of China, and a Firm Believer in English-Thinking Unity

By PATRICK GALLAGHER

**T**HE death of Dr. George Ernest Morrison, political adviser to the Chinese government since the establishment of the republic in 1912, and for eighteen years before that the ablest and most famous newspaper correspondent of our time, was announced in wireless and cable dispatches to China on June 1.

The worth of the man and his work; and the present pathetic plight of the people whom he loved and served, without reservation and without stint, are best expressed in the fact that not one among the four hundred Chinese millions would be missed or mourned in China as is Morrison, to-day. He has passed on, when China, England and all the friendly powers most need his unmatched knowledge, his magnificent rectitude and his great sympathy for a lovable people stumbling on the steep stairway of western modern development.

I sat with him at dinner one night, just about a year ago, in Paris. He was so sick he had no inclination to eat anything, especially the dishes to which he was restricted by his physician. Despite that, he was the same cheerful "China Hand," the brilliant student of men and things who had won my admiration when I met him first in China seventeen years before he came to the capital of France and of the world to help the Pekingese and Cantonese to make peace with Germany. His mind was never more active. In the midst of the biggest story in the annals of the world, his talent tugged at his heart's strings and sought to tear him away from the circle of inaudible specialists back to the freedom of his pen and the joy of writing red-hot history, right off the grill of great events.

"Don't you wish you were covering this for *The Times*?" I could not help teasing him.

"Steed and Adam are handling it better than I could."

That was the characteristic answer of the always modest, great reporter; and he said it in a way that told you he meant it. He was always like that, with a good word for others and a fraternal, helping hand for his juniors. That is why he was so well liked by men who worked with him. He was able, painstaking and successful; not smart.

## Faithful to the Last

He did not say to me that he yearned to be a Peace Conference reporter but that duty to China and to humanity forbade. A smaller man would possibly have said that. Not Morrison. He minimized his own importance.

The Conference had got well along into its luckless stride when the tall, smiling Australian reached Paris. He took a suite

at the Hotel MacMahon, just bowshot from the Arc de Triomphe and thus not so far away from his friend, Ronald Macleay at the Astoria and the Australians at the Majestic. He did not mingle much with Mr. Hughes or other Commonwealth delegates but there were one or two men from the greatest of the islands whom he saw as often as he could find time.

His business in Paris was to advise and aid the Chinese—Mr. Lou, Dr. Wang, Dr. Koo and Mr. Sze. Chinese headquarters at the Hotel Lutetia, over the river in the Students' Quarter, were quite far away from the MacMahon—a nice, long walk. Of course, Morrison walked. Sometimes, we strolled together to or from the Lutetia, along the boulevard St. Germain, over the bridge and through the place de la Concorde and up the Champs-Elysees to the arch that is the pride of Parisians. On one of these walks, I secured one of my best stories for *The Herald*.

Morrison was in a pensive mood, that day. He was visibly distressed. He was going to attend a meeting of the Chinese delegation. Much would depend upon a decision that should be made but was sure to be dodged. He had consulted with his friends, Macleay, the British far eastern expert; Edward T. Williams, the senior of the two American experts; and Gout, the French vice-Minister in charge of Chinese and kindred matters. The Chinese assault upon their own treaties with the Japanese was proving a boomerang. Mr. Hsu's immortal "dicker" of September, 1918, purchasing his election at the cost of assenting to Japan's Kiaochow proposals, had (as Mr. Woodrow Wilson would say) "knocked" Young Koo's oratory "into a cocked hat." The record showed that the tell-tale agreement had been OK'd by the Peking cabinet, with Mr. Lou (the chief Chinese peace delegate at Paris) presiding over the Peking proceedings. There was also documentary evidence that Mr. Lou, on his way from Peking to Paris, in his official interviews with Viscount Uchida and Baron

Makino in Tokyo, had promised to be a good boy and "to work in harmony with the Japanese delegation."

"They have it in writing," Morrison told me. "Lou can't possibly get out of it. Of course, he didn't mean anything out of the way, but that doesn't matter. They have him tied by his own words and the agreement formally approved by the cabinet and submitted by himself as premier. It is an impossible situation, and I am going to tell them so."

He did. He reasoned with the Chinese delegates on the second floor of the Lutetia and did his best to convince them that they were riding blindly to certain defeat. He might as well



Dr. George Ernest Morrison.



have talked to the Great Wall or the Ming Tombs. Young Koo had taken the bit in his teeth; he was riding poor, distressed Mr. Lou; he was taking it out of Japan for the act of Obata, who in 1915 had "thumped" him out of the Chinese-Japanese conference. Morrison was sick, indeed, when he joined me at Croix-Rouge to walk over to the Maison Dufayal. He was under the attention of a specialist for jaundice and suspected cancer. He was in no physical condition to be working or worrying about anything. Still, he stuck—just like the man he was. Faithful to the last.

### The Briton at His Best

One night, I sat by his bedside in the MacMahon. He was suffering acute pain. Every now and then, a twinge of excruciating agony would contract the muscles of his face. He would grin the pain away, and a whispered jest crept in broken phrases from the manly, smiling mouth. I tried to take his mind off China and the Conference, but it was no use. He worked even when he could scarcely handle pencil or pen. A soldier for the common good, serving with all that was of him and in him, and holding nothing back.

After awhile, he recovered from the spasm and, at his request, I helped prop the pillows behind him so that he could sit up at as much ease as his illness would permit. Soon, he was talking quite briskly and cheerfully—this time, about Australia and his boyhood days. We had a thread in common, there, because my pet pride is my maternal grandfather, an English presbyterian of the old school, Robert Watson, who after being the partner of Stephenson went out to Australia as a pioneer railway builder. Morrison spoke mostly of his early walks. He had a passionate yearning for the out-of-doors. While he was giving me graphic pictures of his natal heath, the thought came to me that long-distance walking seems to be a particular gift of the Commonwealth climate and how much bigger and better the old stock gets when it bathes itself in the strong wine of the free air of the open spaces—Australia, the Canadas, the plains and slopes of the American West! As I sat listening to him, I could not help thinking how well he typified Kipling's wandering spirit of constructive empire.

"He shall desire loneliness, and his desire shall bring,

Hard on his heels, a thousand wheels, a people and a king."

He served China, steadfastly and to the last: faithfully, too, he served his own country and his king. George Morrison was the Briton at his best—and that is saying much.

### For English-Thinking Unity

He was a great and good friend of America, a firm believer in the unity in ultimate destiny of the English-thinking people. He understood the American viewpoint and he had an unaffected liking for the American temperament. He took a kindly view of Wilson and was well informed as to the President's earlier, c'oistered writings as well as his statements, *ex-cathedra*, as the pontif of American politics. He did not like some of the performances of the Crillon contingent and he was frank and fair in his criticisms. He regarded the House-Walsh liason as the crowning blunder of Mr. Wilson's official associates. Of course, he was right.

"I cannot believe," he said; "that Wilson is personally to blame. It is not like him."

"No," I agreed; "but unless he publicly disowns the act of House, he is going to do grave harm to America and Anglo-American relations."

Morrison admitted that was probable, but he thought the American correspondents in Europe would help to save the day. "They are all excellent," he said; "and some of the best of them—Oulihan, for example—are Irish." He laughed, and then we got talking about the relative merits of British and American journalism and journalists.

"You beat us on imagination," he complimented.

"You are teaching us accuracy," I fired back.

Morrison believed that Far Eastern interests would serve to draw America and England closer together. He spoke in high terms of Baron Makino and other friends among the Japanese

at the Hotel Bristol. He disapproved of the unsavory and unnecessary Kiaochow controversy and pointed out to me the impossibility of "trying Japan at the Conference." Macleay had taken the same stand, and I had tried to get the Chinese delegates and the American official experts to accept the reasonableness of the British position. They were adamant—to the last; and Morrison was loyal, useful, and sensible to the end.

### He Hoped to Return to Peking

His last words to me, just before he went to England, were: "I hope to see you, soon, in Peking. I shall go back to China as soon as I have got out of the doctors' hands."

That was not to happen.

In the *Herald* office in New York—the famous old "ship" building at Broadway and Thirty-fifth street—"Joe" Ohl, then editor-in-chief of the great Bennett newspaper and next to Morrison the most famous of Peking correspondents, told me how "The Doctor" was dying—going out fast, but game to the last.

So, returning to the Old East after eleven years absence, I nursed little hope of seeing or talking with Morrison, again. Still, it was a shock to read the cablegram that announced the end. Do the Chinese realize their irreparable loss? I wonder. Well, what matters it, one way or the other! Morrison worked for no man's thanks. He saw his duty—he walked straight to it, and he did it. He did it well. May he rest in peace!



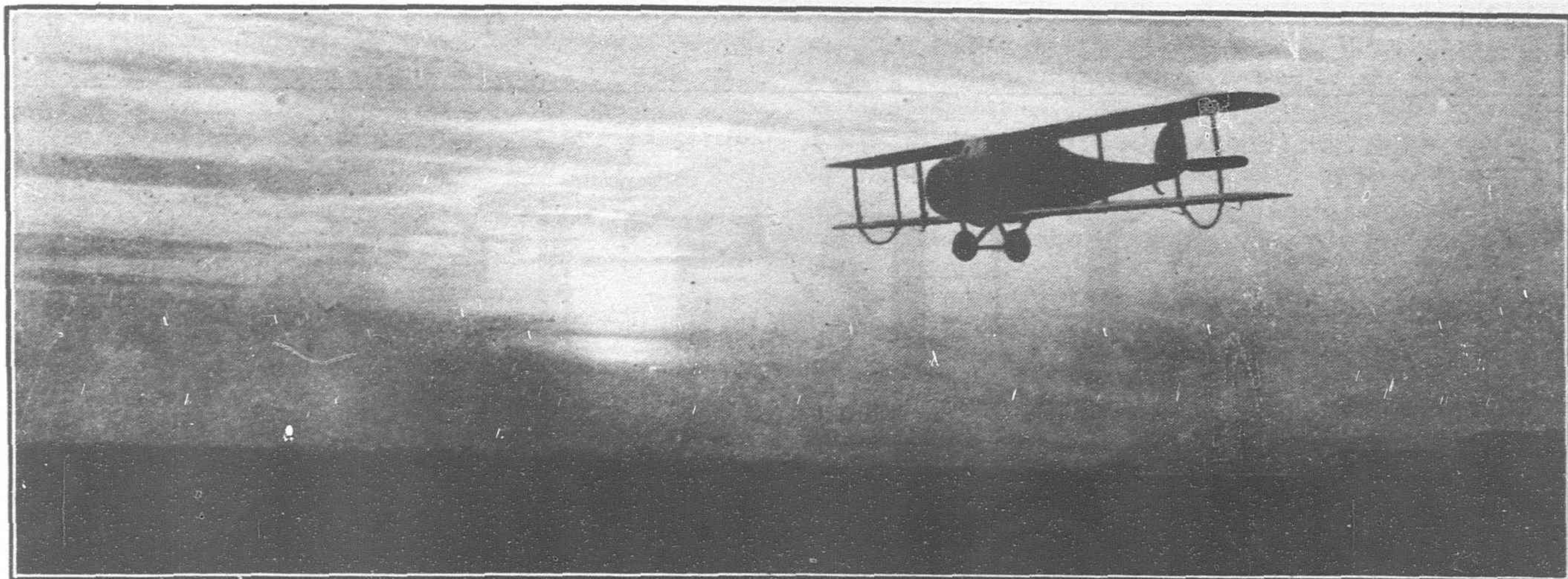
A CORNER OF THE FAMOUS MORRISON LIBRARY

which included almost every book of any importance written around China and which inept Peking mandarins permitted to pass away from China.

### Welcome to "An Old China Hand"

Mr. John Foord, secretary of the American Asiatic Association and editor of "Asia" magazine, is paying a welcome visit to the Far East. Mr. Foord is "an old China hand," a thoughtful student of Far Eastern affairs and a high-grade American editor. His impressions will be both interesting and important





Dayton-Wright Aerial Coupe Landing at Sunset

## American Aircraft for the Orient

*Prepared and Illustrated from Photographs taken Specially for "The Far Eastern Review" by the Information Department of The Manufacturers' Aircraft Association, 501 Fifth Avenue, New York*

**C**ENTURIES have passed since the Orient first witnessed the earliest attempts of man to navigate the air. Encyclopedias are uncertain as to the origin of kite flying, which no doubt was the first attempt to solve the problem of human flight.

Both Japan and China are credited with the first development of kites. Chinese folk-lore, however, maintains that one Lu Pang, an ingenious carpenter, 25 centuries ago invented a wooden crow that flew; and 200 years before the birth of Christ, Han Sue is reported to have sent troops to a beleaguered city by that means. The story is told in *Les Cerfs Volants*, by Lecornu.

With all these years of interest in the skies and its problems, the hope of one day inventing something that would enable a man to fly as free as the birds, it is not astonishing that the nations of the Far East are taking to the air like ducks to water. This also may account for the fact, no less astonishing, that a considerable number of the aeronautical engineers graduated from American technical schools are Chinese or Japanese; that American, British, French and Italian missions to the Orient have found a welcome reception awaiting them and their trained pilots sent out to instruct the natives in the art of mechanical flight.

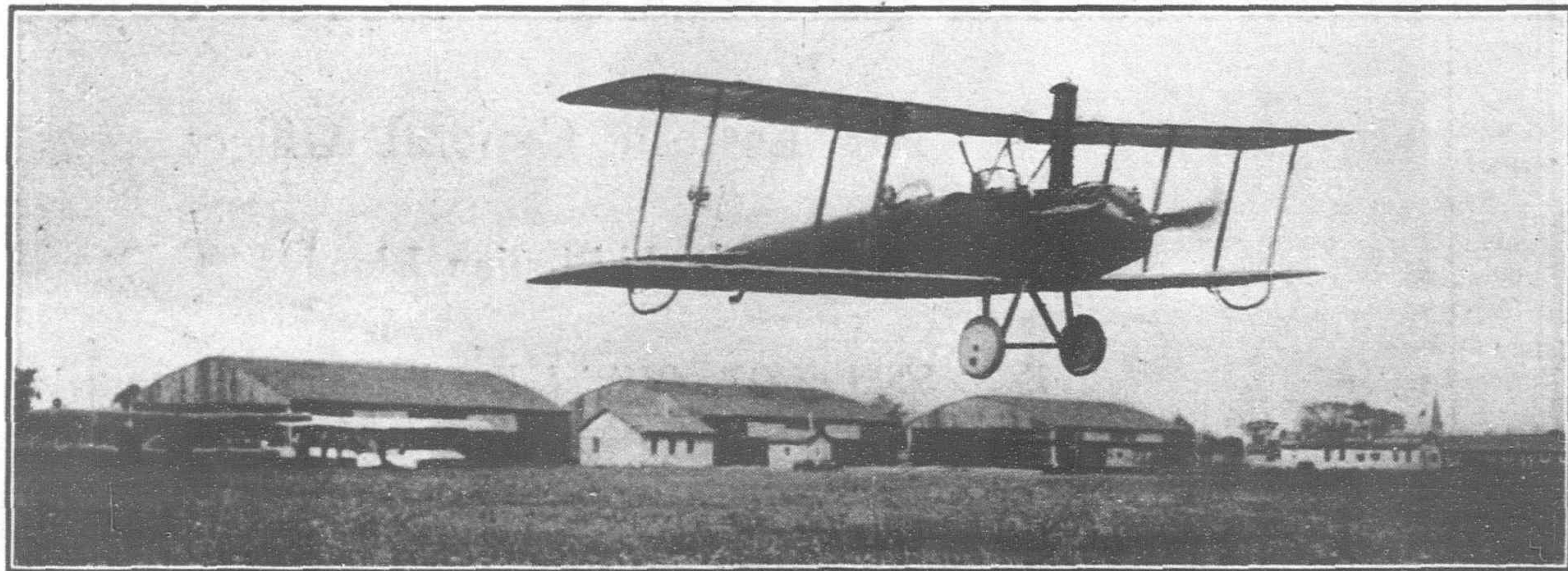
China is a country of great distances. In Japan the narrow gauge railways are a positive hindrance to fast travel by rail. The roads are narrow and the people make sidewalks of the highways. The motor-car finds this a handicap. There are, however, no obstacles in the air. The rivers of China and the seas about China, Japan and the Philippines—the Eastern, China, Japan and Yellow Seas—have been the principal highways of travel and commerce in the East, for they are the highways already built and ready for the use of the peoples that dwell on their shores.

It is because of this handicap in highways and railways that American aircraft manufacturers are turning toward the new East as a certain

customer and large buyer of flying craft. It led also to the national aircraft show which the Manufacturers' Aircraft Association held in New York in March of this year. The score or more of airplanes, model landing fields, dirigibles, flying boats and accessories attracted numbers of students who claimed as their homes the lands on the western side of the Pacific. Chinese, Japanese, Australians and men of India represented only the larger countries waking up to the value of the flying machine as a time-saving, economical carrier of mail, freight or passengers.

Whether it be the two-passenger sport or touring plane or flying boat, the larger planes carrying a score or more of passengers or cargoes of respectable size, the flying machine has a tremendous advantage in speed over the fastest yacht or steamship, and in the great distances of the East this merit is enhanced. A speed of a hundred miles an hour cuts to a few hours what otherwise constitutes a week's journey in many parts of the Orient.

There are many American manufacturers building commercial machines suitable for the Eastern market. They proved this at their national aircraft show in New York. One of these is the Aeromarine Plane and Motor Company of Keyport, N.J., the largest manufacturer in the United States confining itself exclusively to building air and water flying craft—flying boats and seaplanes. One of its ships is a cabin flying boat, carrying three passengers in comfort and absolute protection from the weather—all at a speed of 75 miles an hour.



Curtiss Oriole in Far Eastern Flight



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Manila, Philippine Islands

*J. E. H. STEVENOT, Official Far Eastern Representative*



The Boeing Airplane Company of Seattle, Wash., also builds for the Eastern market, some of its flying boats having already been shipped to the Orient along with a similar consignment of Curtiss machines.

The Curtiss Aeroplane and Motor Corporation, of Garden City, L.I., N.Y., has produced several types; and its distributors

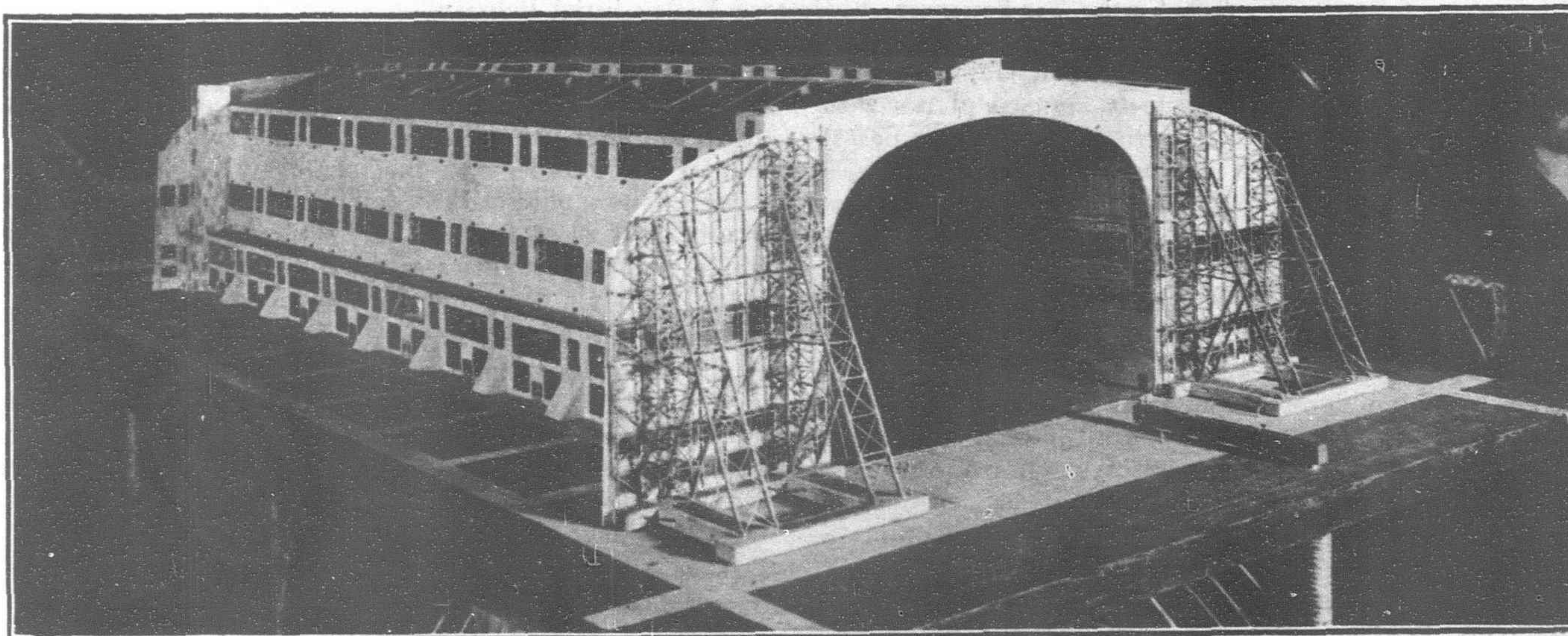
individual assembling plants and factories, one may inspect his machine before it takes the air, have it custom-made or altered to suit his individual desires. One of the Curtiss masterpieces is the bi-motored Eagle, a ten-passenger carrying aerial Pullman, in which the occupants are seated in a luxuriously appointed cabin, equipped with comfortable chairs and a lavatory.



Twin-Motored "Pusher" Type of Goodyear Dirigible Airship. Capable of Carrying 16 Passengers on Cross Country Flight

are becoming as numerous as motor-car agencies. One of these agencies has recently been established in the Philippine Islands; and others will be organized as quickly as the market demands. At these distributing points, which ultimately will claim their

The Curtiss company also produces the Oriole, a sport biplane fitted with doors like a motor-car. Another of its favorites is the Seagull flying boat. These machines and others manufactured by the same company are now on the market. The company



Model of Dirigible Hanger Being Built by the U.S. Navy at Lakehurst, N.J., For Comparative Size.  
Note the Freight Train on Tracks at the Entrance



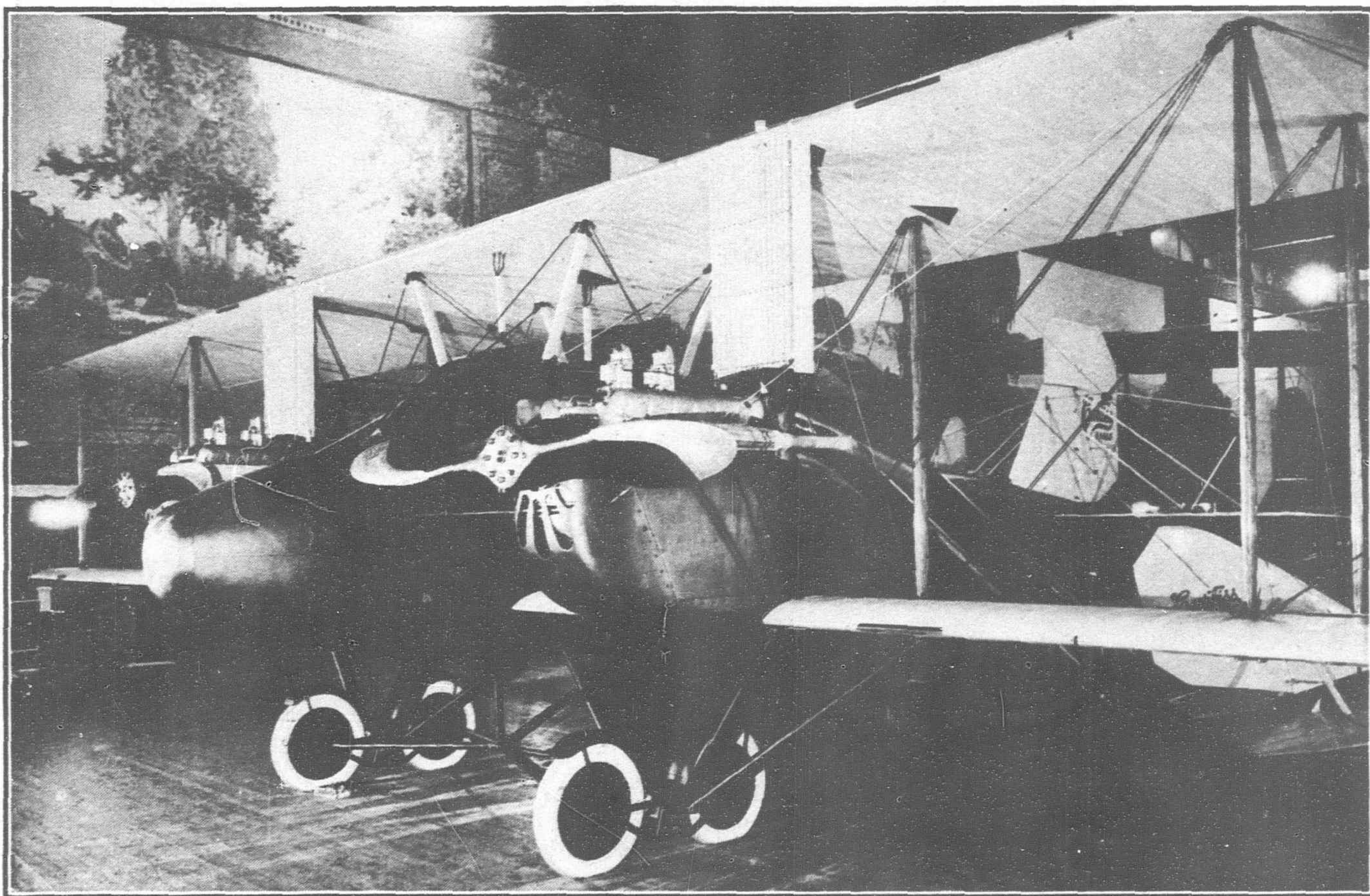
recently announced that it had arranged for the distribution of more than a million dollars' worth of these machines this year.

The Dayton-Wright Division of the General Motors Corporation has produced two new commercial craft for which they claim the last word in luxurious appointments. Their aerial coupé has a handsome upholstered cabin fitted with electric lights and upholstered in whipcord. It is driven by a Wright Hispano motor and has a cruising radius of 400 miles. Their six-hour cabin cruiser, water and weatherproof and designed to fly two miles a minute, will seat four persons comfortably in the two seats under the same roof.

The Goodyear Tire and Rubber Company has gone into the dirigible airship business. One of its smaller achievements, the Goodyear pony blimp, a three or four place car attached and slung under a gas-bag only 95-ft. long, is the first dirigible ever built for commercial purposes. It has been sold to a middle west transportation company. Plans are under way for larger dirigibles built especially for transportation of both passengers and freight.

air as long as three hours at one flight. It is built to sell for only \$2,500. The other product of the L.W.F. Company is the aerial freight, named the "Owl," the largest aerial transport in the United States. It has a wing spread of 105 and a half feet, two huge bodies or fuselages fifty feet long and a centre nacelle in which a crew of four including the radio operator have all the comforts of a well-appointed yacht or motor launch.

The West Virginia Aircraft Corporation, the Gallaudet Corporation, and the Ordnance Engineering Corporation are producing smaller machines for the public market here or abroad. Each differs from the others in design and performances. All have their special uses, however, each being built and tested for individual requirements. Larger machines will be built for the freight and passenger carrying businesses which are rapidly adopting the flying machine as a means of transportation. Huge multi-motored craft will in time relieve the congested railroad and steamship lines of a substantial portion of their burdens. These machines, or smaller ones of good performance, already have taken part of the United States mails off the railway mail



The Curtiss Ten-Passenger Bi-Motored Eagle—Aerial Pullman

The Glenn L. Martin Company, of Cleveland, Ohio, is ready to supply twelve passenger aerial transports or mail planes with Liberty engines. These machines are built especially for postal service, carrying fifteen hundred pounds of mail, or 60,000 letters on a flight. At this writing, the Martin Company is negotiating with the Chinese Government relative to the establishment of a number of Martin mail planes on the Chinese postal routes, as quickly as the American Government removes the embargo on Liberty motors.

The Thomas-Morse Aircraft Corporation, of Ithaca, N.Y., is making a series of mail planes of similar capacity, and is ready to ship them anywhere on earth. They are of smaller design than the Martin ships, but each machine carries its own weight in the air, has two motors, Wright Hispanos of 300 horsepower each, and capable of carrying 60,000 letters at a speed of more than 100 miles an hour.

The L.W.F. Engineering Company of College Point, L.I., N.Y., is producing two machines radically different in design. One is the Butterfly, America's first aerial flivver. It is a tiny sport monoplane seating only one person, yet it has remained in

cars, automatically eliminating the cars from the system. Many of them are now being built, and in time, some experts believe within the next two or three years, they will link up the opposite sides of the Pacific with the islands lying between. Trade and commerce now confined to Pacific shipping will gradually find its way into these bottoms of the sky. There is no person interested in aeronautics who does not believe that in the near future we shall cross the Pacific in 36 hours.

Within the next few months, if present government plans do not miscarry, airplanes will be operating steadily, carrying mails between New York and San Francisco. This undoubtedly serves as an object lesson to other governments and to individual companies contemplating the organization of mail, freight or passenger carrying aerial lines.

The Manufacturers' Aircraft Association invites correspondence with officials or private concerns interested in utilizing aircraft for commercial purposes.

The following notes on the recent shipment of American aircraft to Hongkong for Captain C. E. W. Ricou, appearing in



a recent number of the *Pacific Marine Review* supplement the above information from the Aircraft Association:—

"The aircraft comprising the shipment are to be used by Mr. C. E. W. Ricou in a strictly commercial enterprise, carrying passengers and express along the coast of Asia.

"Mr Ricou is a mechanical engineer by education. He has lived in the Orient for many years and has acquired interests in electric power and light plants, refrigeration plants and the like. His idea of utilizing aircraft commercially dates back to and before the spring of 1914, at which time he went to France to learn to fly and to arrange for the necessary equipment to start an aircraft line along the China coast. The war broke out while he was in France and he offered his services as an aviator. He served with distinction on the Saloniki front and in France. He was wounded some time before the armistice and was assigned to the command of the French aviation forces in French China. After the armistice he resumed work on his commercial aviation plans and in August, 1919, came to the United States and arranged for the equipment and men.

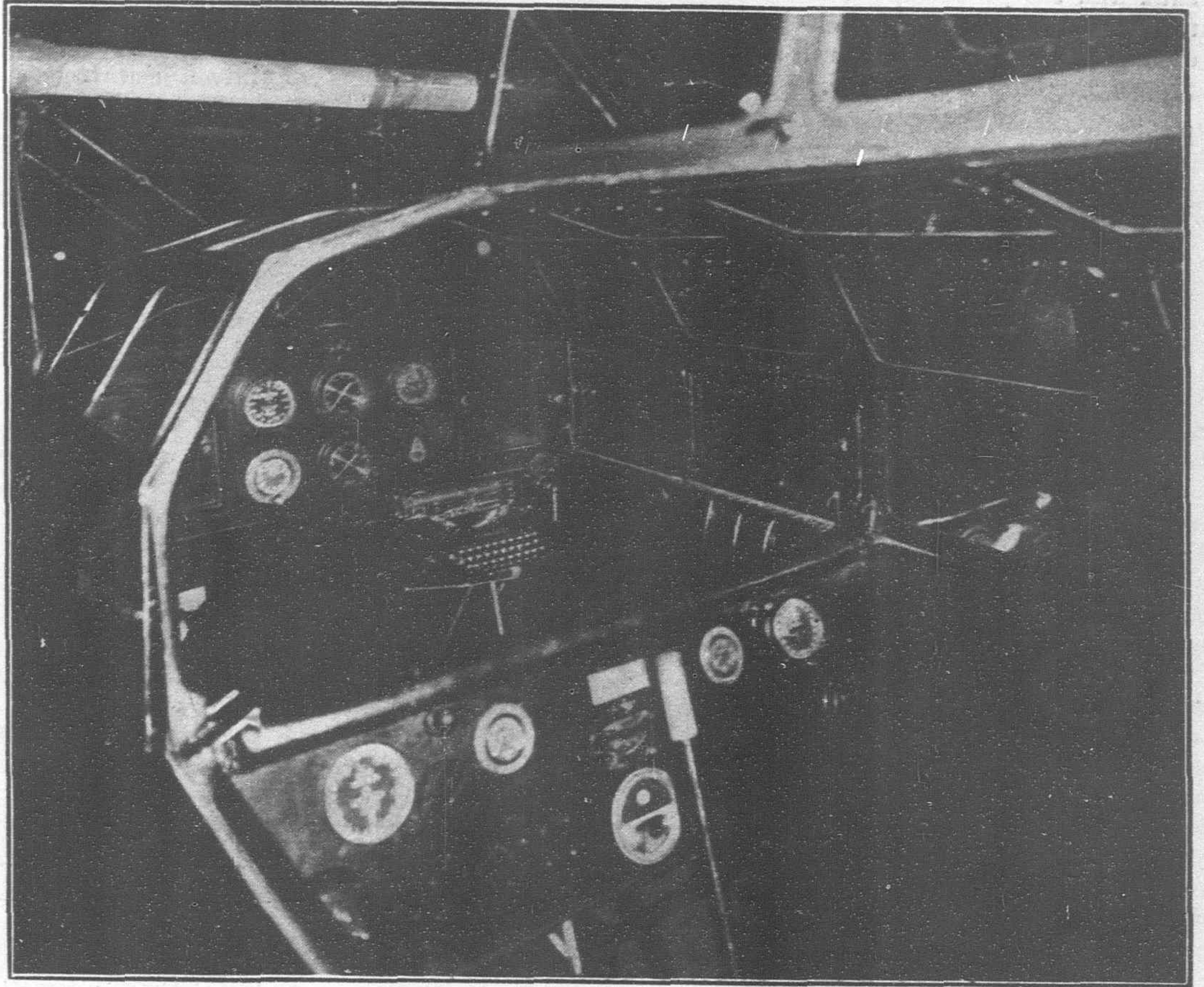
"The shipment consists of five Curtiss type H-16 and two Curtiss type HS-2 flying boats, three Aeromarine type 39-B seaplanes and one Boeing seaplane.

"The H-16 type is the largest type of flying boat available for commercial use. The wing spread is 96-ft. 6-in. The power plant consists of two 330-horsepower Liberty motors, each consuming thirty gallons of gasoline an hour. The speed range is from 57 to 95 miles an hour. With fuel enough aboard for a 300-mile flight, the passenger capacity is ten persons. The weight of machine and load as it takes the air is approximately 11,000 pounds. This type was used during the war by the United States Navy in patrolling for submarines and in convoy work in European waters.

"The HS-2 type has a wing spread of 74-ft. and is powered with one Liberty motor, and the carrying capacity is six to eight

persons. This type was used by the Navy during the war in patrolling off New York and other harbors.

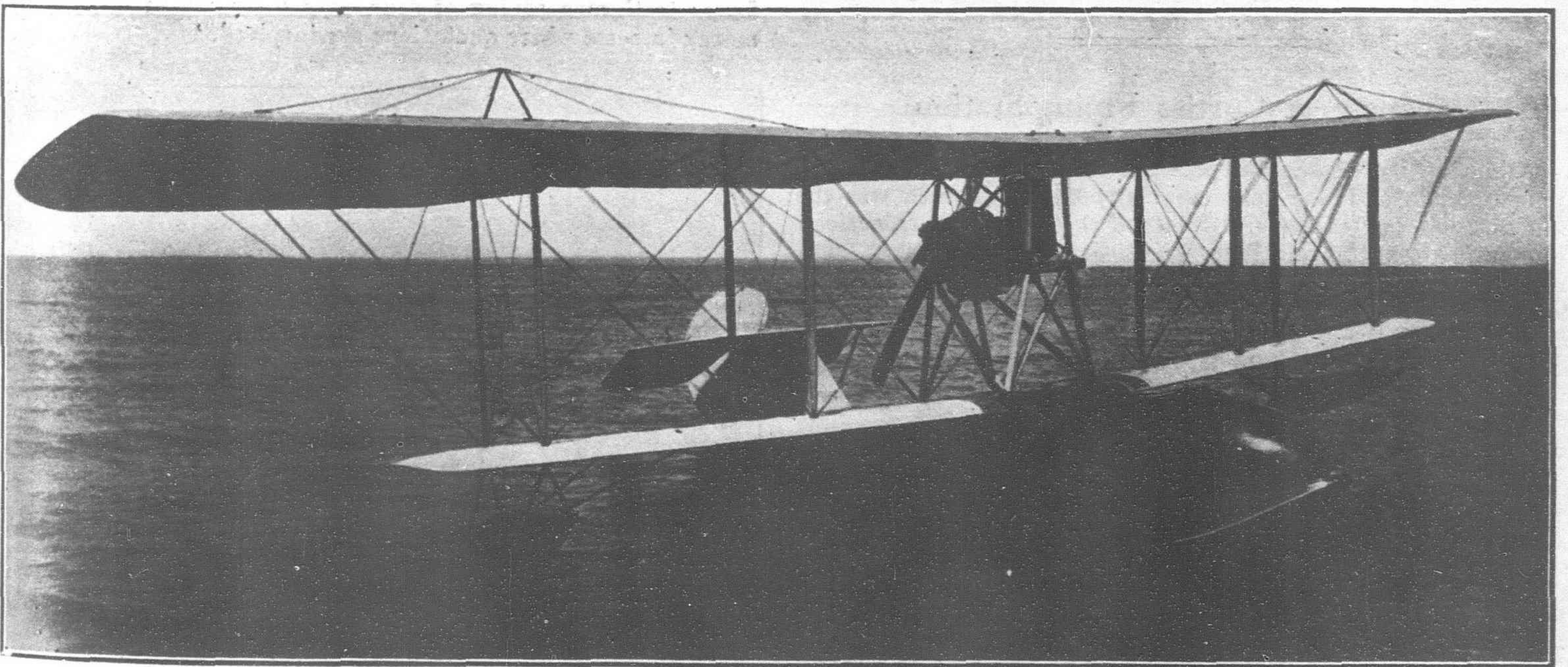
"The Aeromarine and Boeing seaplanes are powered with Curtiss and Hall-Scott 100-horsepower motors. They carry but two passengers and are intended for comparatively short flights only.



Interior of Dayton-Wright Cabin Cruiser

"The entire shipment measured very nearly 60,000 cubic feet, or 1,500 tons measurement, but the weight was but little over 100 tons. The packing cases containing hulls and wings weighed over four times as much as their contents. The shipment consisted of 144 packages, many of them of unusual size.

"In the selection of men to pilot the aircraft it was thought imperative to choose only men who were navigators and good seamen as well as good aircraft pilots and with long experience



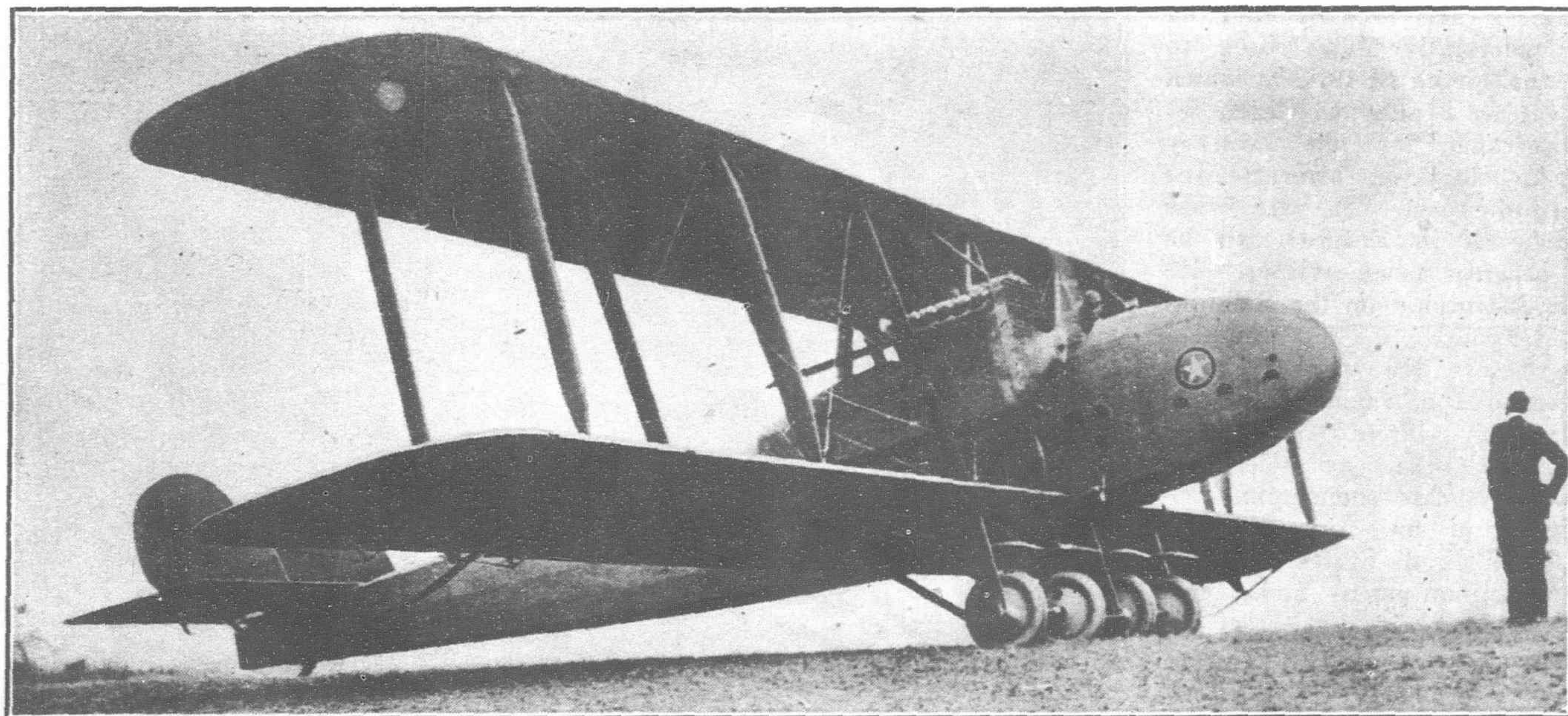
Aeromarine Flying Boat, 50 B., in Water—Three Place Open Boat



in operating the large type H-16 flying boats. These big craft must be operated almost entirely by instruments, their size and weight being so great that very few, if any, pilots can operate them by "feel"; i.e., by depending on the unaided senses to determine airspeed, the angle of ascent and descent, degree of bank and the proper speed at which to "take off." Practically the only men meeting these requirements were those who served during the war in the naval aviation branches of the United States, England and France.

"From a considerable number of applicants, Mr. Walter D. Bonner was selected as general operating superintendent, and five pilots and four assistant pilots were engaged, all of them men who served in navy aircraft operations during the war.

"Mr. L. A. Scothmer, who for many years superintended the construction of flying boats in the Curtiss factories, was engaged as mechanical superintendent and five expert mechanics were hired to assist him. This makes a skeleton organization of sixteen men, to be supplemented by additional men as needed."



Glenn L. Martin's Mail Plane, which may be Operated on Chinese Government Postal Routes

### Chinese Like Curtiss Planes

The accompanying illustration was caught by the camera man while Major J. E. H. Stevenot, official Far Eastern representative of the Curtiss Aeroplane and Motor Corporation was visiting at Nanyuan aviation field. The old type Curtiss training plane shown in the picture has seen good service in China. Colonel Lee (the Chinese pilot in charge of flying) and General Wong (commanding officer of the field) are seen to the right of the American airman.

Before leaving Peking, Major Stevenot appointed as his personal representative Captain J. V. Gillis, formerly U.S. naval attaché.

delivered as Victoria. The Boeing Company will make a trial flight with mail for Victoria and Vancouver within the next two weeks and then will make bids to perform regular service.

If the Seattle and British Columbia air service is established, ten trips a month or possibly three a week will be made, Postmaster Battle said, and will be primarily for trans-Pacific mails.

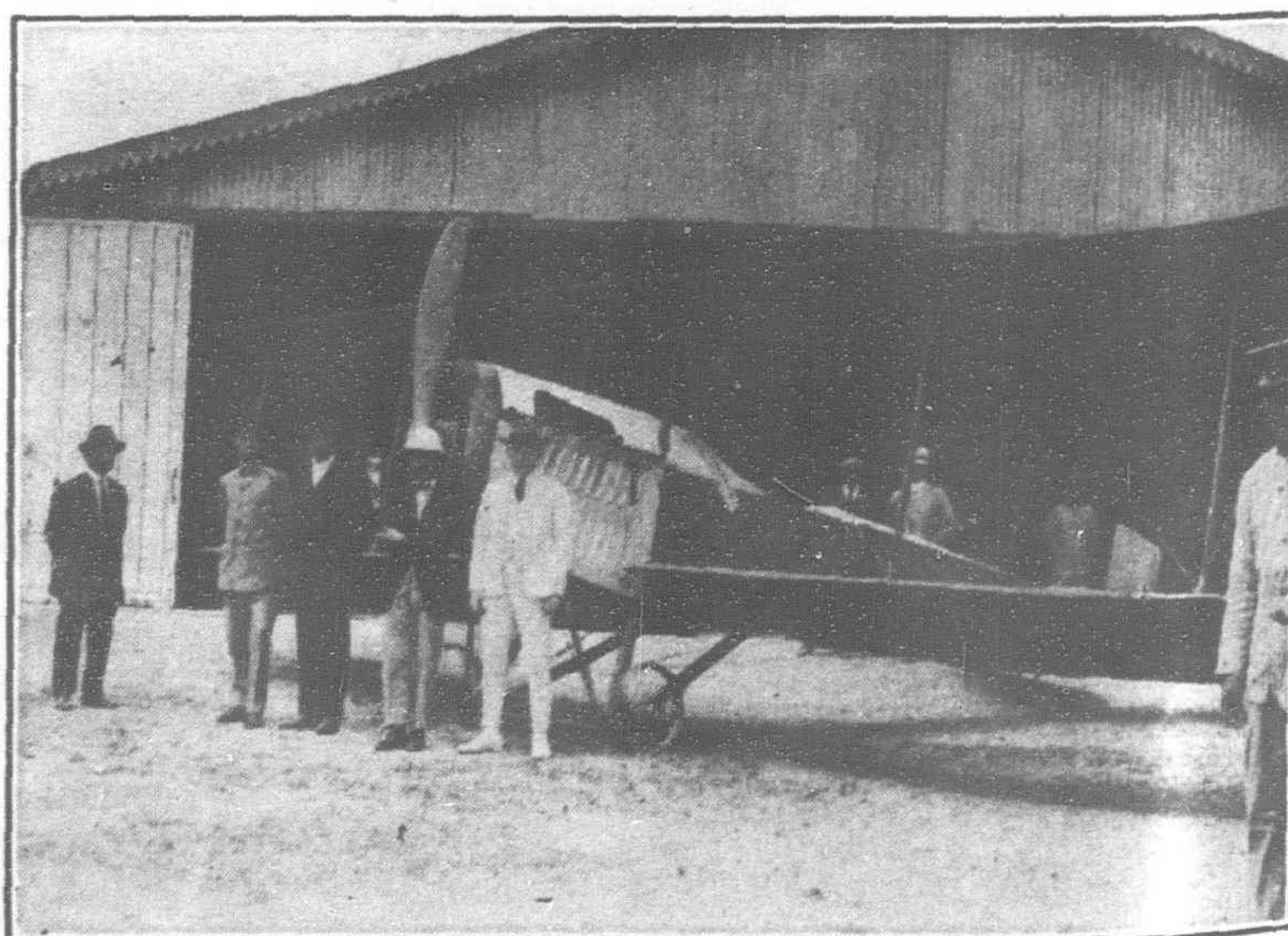
"Such a service will mean the saving of twenty-four hours in the handling of mail from the Orient," he said, following his inspection of the Sand Point site. "It would give Seattle an advantage of four days over San Francisco in the Oriental service, in place of three days now in favor of Seattle. This would practically mean that nearly all of the Eastern mail would be route for Seattle, especially the business transactions of the larger firms; to them a saving of four days often means large sums of money in cases where quotations are involved."

### Japanese at Curtiss Flying Station

Atlantic City, N.J., May 25.—Recent visitors at the Curtiss flying station and the municipal airport here, which was the scene last year of the aerial exhibits of the second Pan-American Aeronautic Congress, include Lieut.-Gen. G. Nagaoki, vice-president of the Imperial Aero Society of Japan, and Major L. Itolu, inspector of the Japanese ordnance department. The officers intimated that aircraft for passenger and freight service may soon be introduced into Nippon. They flew over the resort for several miles and gathered considerable data on airplanes.

### Seattle-Vancouver Aerial Post

Seattle, May 17.—Local officials are negotiating with the Boeing Aeroplane Company of Seattle for the establishment of an aerial postal service between this city and Victoria and Vancouver. This would cut off a day in the delivery of Oriental and trans-Pacific mails and allow accumulated mail matter to be sent from here to steamships the day after they sail from here, to be



OLD CURTISS TYPE TRAINING PLANE

On the right: Col. Lee (Chinese Pilot in charge of Flying), and on his right: General Wong, Commanding Officer of Nanyuan Aviation Field



# China, Alone, Discounted the American Dollar

**President Dollar's Report to the American Chamber Cites Adverse Gold Balance of \$338,600,000 which has Been Accumulating Since 1913, Alone.—Although Some American Concerns in China Took Instant Advantage of the Anti-Japanese Boycott, and the Chamber Frankly Admits this, Cruel Figures Show that it was a Case of "Much Cry and Little Wool."—H. H. Arnold and J. W. Gallagher Elected President and Vice-President**

THE chief features of the annual report presented to the American Chamber of Commerce of China by the outgoing president, Mr. J. Harold Dollar, were the references to the very serious adverse balance of trade against the United States and the alacrity with which certain "enterprising" American concerns in China played the anti-Japanese boycott for all that it was worth. Good intentions, apparently, went up like the proverbial rocket and then came down, just like the stick. The annual meeting and dinner of the Chamber, held at the American

by the Shanghai American business community and he responded—like a good business man—by telling his hosts the things that they most wanted to know. In future, he said for the Bureau of Foreign and Domestic Commerce, data regarding trade opportunities and facts will be released by the government observers on the spot, so that American firms in the Far East will not have to wait for this information until it passes through official hands in Washington. Under the old system, half or more of the virtue of the information was lost in course of transmission. It was too old and too cold to be of much service—too Peking, as it were.

Mr. Batchelder made a suggestion and a request which the Chamber put into immediate effect. In order to do its work properly as the clearing-house of American foreign and domestic business, the Bureau in Washington should have complete information as to every American firm in China, for whom and for what they are doing business, either on their own account or as agents. With this precise data in hand, the Bureau of Foreign and Domestic Commerce can act immediately upon requests from American manufacturers who have lines to offer in the China and other trade fields and who naturally enough don't want to waste time or letters upon far-distant firms who may be agents for a competitive product or be specializing in a different variety of trade and out of touch with the manufacturer's particular needs.

## New Officers and Executive Committee

The Chamber elected Mr. H. H. Arnold, of Andersen, Meyer and Company, to succeed Mr. J. Harold Dollar as president; and Mr. J. W. Gallagher, of the United States Steel Products Company, as vice-president in succession to Mr. W. C. Sprague, of the Standard Oil Company. Mr. L. Jacob, of the China and Java Export Company, was "drafted" once more as treasurer; and Mr. J. B. Powell was re-elected honorary secretary. Mr. W. A. Chapman, the Chamber's alert and efficient secretary, was accorded a special vote of thanks. Mr. Paul Page Whitham, United States trade commissioner who investigated the Chinese railway situation, was elected an honorary member in recognition of his services to the organization.

The following Committee was elected:—Messrs. H. H. Arnold, C. W. Atkinson, W. G. Avery, J. H. Dollar, T. E. Doremus, W. I. Eisler, S. P. Elliott, J. W. Gallagher, B. C. Haile, L. Jacob, W. A. B. Nichols, C. L. Seitz.

The secretary's report showed that the membership was doubled during last year. Now, the roll is six times as long as it was when the Chamber began to function in 1915. In 1915, there were 32 company and 16 individual members, a total of 48; while now there are 91 company, 122 individual, and 100 non-resident members, a total of 313. There being "luck in odd numbers" *maskee* the "13," there was unanimous expression of belief that growth will prove continuous.

## Revival of American-Oriental Mercantile Marine

The report submitted by President Dollar and adopted without discussion was as follows:—

The American Chamber of Commerce of China is a direct outgrowth of the problems confronting the development of American



Mr. H. H. ARNOLD  
President, American Chamber of Commerce of China

Club, Shanghai, on the evening of June 18, was an interesting and enjoyable gathering, enlivened by several good speeches, especially a business-like talk by Mr. C. C. Batchelder, American commercial attaché at Peking, and an experienced and thorough-going student of Far Eastern trade matters.

Mr. Batchelder is probably best known in the Philippines, where he filled a responsible administrative office with marked ability and commendable tact. He was given a rousing reception





Mr. J. W. GALLAGHER

Vice-President, American Chamber of Commerce of China

trade and commerce on the Pacific Ocean since the beginning of the European War. The first official action of the Chamber on June 9, 1915 was a consideration of the serious condition for American firms in China brought about by the workings of the La Follette Shipping Act which forced the Pacific Mail Steamship Company to withdraw from the China-American trade leaving American interests in this part of the world with but a single ship under their own flag. The minutes of the executive committee of that year speak eloquently of the difficulties encountered by American merchants in trying to conduct a foreign trade without ships to carry their products and without a Pacific fleet to protect their commerce. By the end of the year ninety per cent. of the trade of the Pacific was in the hands of the Japanese steamship lines and space rates had mounted to prohibitive figures. The membership in the Chamber the first year was 32 company memberships and 16 individual members making a total of 48. The membership for 1920 is 91 companies, 122 individuals and 100 non-resident firms or manufacturers in the United States, making a total of 313.

The development and the problems concerned in the development of American trade in Shanghai and China generally are fairly typical of the tremendous changes that have come about in America's trade relations with the rest of the world generally in the last few years. Even before the war it was apparent that America was destined soon to take a larger share in the affairs of the world, but this new development was quickened and intensified by the struggle. From the standpoint of the Orient, the present development upon which we seem to be starting is but a repetition of the activities of American merchants and American ships in the period from 1780 to 1850. In those years American enterprise in the Orient was second to none. The civil war and the resulting internal development of the United States caused us to withdraw from foreign enterprise and devote our entire attention to the conquering of the natural resources of our own great nation. Now in the new period which is just beginning we are bringing to bear in our foreign development the experience in large accom-

plishment which we have had at home in the half century. We have learned the value of team work and cooperation in the development of private business, which is so necessary in American enterprise owing to the fact that in our country we cannot have the close association of Government and business and capital which other countries with other forms of government provide.

The tremendous development of American shipping which is expected to provide more than 25,000,000 tons under the American flag by the end of 1920 as compared to 33,000,000 under the British flag for the same period is reflected in the shipping situation at Shanghai. From no ships under the American flag calling at this port in 1915 and 1916, it is not uncommon to have more American ships in the harbor and on the schedule for this port than of any other nationality. During May 1920 for example out of 124 ocean-going ships calling at Shanghai 49 were American vessels, 45 were British, 12 were Japanese, 5 were French and the remainder were Norwegian, Dutch, Russian and Italian. The policy of the U. S. Shipping Board to place American boats on every trade route and provide a system of freight delivery for American merchandise throughout the world seems fairly on the road to accomplishment. Much still remains, however, of accomplishment if we are to regain our golden age of 1825 when 89 per cent. of our exports and 95 per cent. of our imports were carried on American ships.

Probably in no period of the history of American trade with China has the advantage of having American ships in this trade been so apparent. Figures covering the trade of Shanghai with other nations during 1920 which are printed elsewhere in this report, show that during this period America did more business with Shanghai than did Japan. Had there been no American merchant marine to carry this merchandise this certainly would not have been possible and furthermore the trade of Shanghai and China generally would have been paralyzed, for the Chinese merchants refused to ship by Japanese boats and there were not sufficient boats of British and other nationality to carry the cargoes. For several months during 1920 Chinese merchants even



Mr. J. HAROLD DOLLAR

Past President, American Chamber of Commerce of China





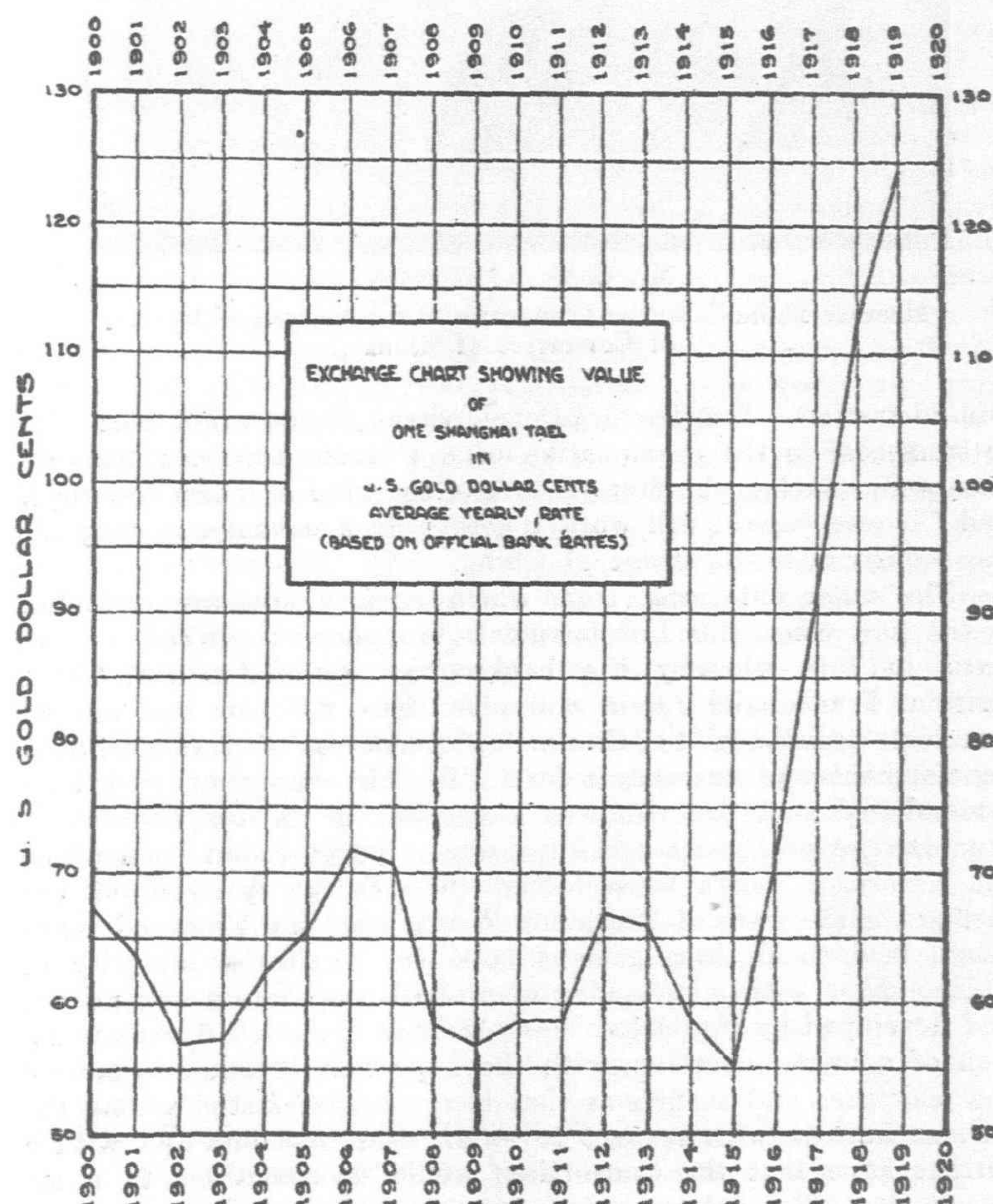
Mr. L. JACOB

Treasurer, American Chamber of Commerce of China

went so far as to threaten refusal of cargoes of American goods brought to China by Japanese boats. The fact that there are now American ships in the China trade has not only benefited American and Chinese business, but it has added tremendously to our national prestige in this part of the world, and the further fact that the American Government has seen fit to transfer a large proportion of the American fleet to the Pacific has helped along with the American merchant marine in these respects. There remain now two further developments in connection with American shipping. The first is the development of coastwise and river feeder lines in China to cooperate with the ocean-going steamers, and the second is the placing of American steamers on the lines running from China to Europe and Mediterranean ports by way of Suez. American firms in China with their connections in Europe are in excellent position to get into this trade and a strong definite policy on the part of the Shipping Board will certainly bring a large proportion of this business under the American flag.

The American lines now operating in the China trade are as follows: Pacific Mail Steamship Company, The Robert Dollar Company, Frank Waterhouse and Company, Columbia Pacific Shipping Company, Los Angeles Pacific Navigation Company, the Barber Lines, Cosmopolitan Shipping Company, Green Star Line, International Mercantile Marine, China Mail Steamship Company, Struthers and Dixon, The Admiral Line, Garland Steamship Corporation, the Isthmian Line, Tank Storage and Carriage Company, Wm. Katz & Co., and the China Coast Transportation Company, and there are still other lines scheduled to connect China with Tacoma and New Orleans. In the passenger transportation field, it is also gratifying to note the contemplated establishment of three new lines by the Shipping Board, one to connect the Pacific Coast of the United States with Japan, China and the Philippines, another to connect with Japan, China and Vladivostok and a third to connect with the Philippine Islands, Straits Settlements and India. A recent report of the Shipping Board showed three times as many American Shipping Board boats on the Pacific runs as the ships of any other single nation.

Other important elements affecting the development of American trade in China are finance and banking facilities and these elements also are on the road to accomplishment. During 1919 America purchased from China, products to the value of Gold \$154,153,751, and in the same period sold to China American products to the value of Gold \$105,514,962. These figures which were supplied by the Department of Foreign and Domestic Commerce, Washington, do not take into consideration American and Chinese merchandise handled by Japan or that passing through Hongkong, a British possession. The volume of this trade and the rapid development of China's trade in general point to the importance of ample American banking facilities for financing our share of the business. Where formerly there was only one American bank in this field, there are now six institutions with one or two more scheduled to enter the field soon. The American banks now serving the American-Chinese trade are: International Banking Corporation, Asia Banking Corporation, Park Union Foreign Banking Corporation, American-Oriental Banking Corporation, Philippine National Bank and the Chinese-American Commercial and Industrial Bank. Owing to the primitive condition of Chinese interior trade and internal political and financial conditions, selling to China is largely a matter of financing. China is potentially wealthy, but is deplorably poor in modern banking and credit facilities and from the standpoint of government finance. For this reason the problem of the American firm trading in China in a large way is largely a matter of financing and leadership that will bring confidence to Chinese business men and investors. That the Chinese business men have capabilities for modern banking development is shown in the growth in the last few years of a number of important Chinese modern style banks, many of which are staffed by Chinese young men who have received their training in American universities and practical experience in American banks.



From the standpoint of the larger financing enterprises concerned in the development of the great communication systems of China and industrial reconstruction in China in general there have been two important developments in the past year. The



first was the entrance into this field of the financial group represented by the Pacific Development Corporation with which is associated the Chase National Bank of New York, and Hayden, Stone and Company of Boston and New York. Through this organization a loan of Gold \$30,000,000 was made to the Chinese Government upon the guarantee of the wine and tobacco



Mr. C. W. ATKINSON

Member of the Executive Committee of the American Chamber of Commerce of China

administration. The Pacific Development Corporation was also instrumental in the organization of a Chinese-American banking enterprise which is the first venture of the kind in which American and Chinese capital will work together on a common footing for the industrial development of China.

The other enterprise from which great results are expected is the new consortium, or financial arrangement entered into at Paris in 1918 whereby the banking groups of America, Great Britain, France and Japan will pool their interests and extend financial assistance to China for purposes of transportation development and currency reform. In this connection it will be remembered that America was a member of the old consortium organized several years ago for a similar purpose, but from which the American banks were forced to withdraw because of the feeling on the part of President Wilson that the proposed loans would lead to an infringement upon the territorial integrity of China. Now with a new idea of mutual cooperation engendered and developed by the Great War, America proposed the organization of a new consortium with the hope that it would eliminate the jealousies and suspicions that have always existed among the various nations with respect to enterprises in China and with a further hope that the Consortium would do something to break down the old "spheres of influence" which have grown up in China and which are considered to be a constant menace to the future peace of the world. The American banks, in cooperation with the State Department, sent to China Mr. Thomas W. Lamont of J. P. Morgan and Company as their representative and he spent several months in making a close investigation of the field. The chief obstacles to the Consortium which developed during

Mr. Lamont's visit to the Orient, were the insistence of Japan that Manchuria and Mongolia should be excluded from the operation of the Consortium loans, and the unsettled political condition of China. It is understood that Mr. Lamont was successful in inducing the Japanese to enter the Consortium on an even footing with the bankers of America, Great Britain and France. That the American bankers will be able to induce the Japanese banks and the Japanese government to enter the Consortium on an even basis is seriously questioned in both American and liberal Chinese circles in China. The future of this enterprise is largely dependent upon the close cooperation of America, Great Britain and France in their plans for bringing about better conditions on the continent of Asia. The visit and investigation of the many political and financial problems of China by Mr. Lamont and the other influential American financiers and business men during the past few years is certain however to be of much permanent benefit to the future development of American business in China and of Chinese-American relations in general. During the same period China was also visited by several officers of the American Silk Association, an organization which is doing a great deal in encouraging China to improve and develop her most important basic industry. America is now taking practically all of China's production of raw silk and according to the testimony of members of the Silk Commission would take ten times as much if China would reorganize her silk industry on a modern basis. In connection with this development much good is being accomplished by several of the American Missionary educational institutions, at the head of which is the College of Agriculture and Forestry of Nanking University at Nanking, China. This work which is in charge of Prof. John H. Reisner, a graduate of Cornell University, is doing a great deal to encourage better methods in Sericulture and also in the production of cotton. Students are given theoretical instruction and at the same time receive practical training on the college farm. A "short course" is given annually which is attended by Chinese young men recruited from the silk producing regions. They are taught the necessity of selecting good seed and the importance of maintaining the best varieties of mulberry stock. Each year the college supplies pure "seed eggs" to farmers and also thousands of cuttings from the college mulberry orchards. Still another important interest of the college is in demonstrating the value of using modern agricultural implements. Several demonstrations have been given in which American manufactured plows were used to show their superiority over the native plow of primitive manufacture which has been in use in China without essential change for hundreds of years. Missionary interests in China are to be congratulated upon this new and modern phase of their work in China which educates the hand as well as the mind. There are a number of other educational institutions in China which are doing similar work and American business interests are urged to lend the fullest encouragement to these efforts which mean so much to the future development of China.

In the field of industrial development in China, progress has been equally encouraging. Chinese business men have taken advantage of the cotton "boom" and literally have swamped the manufacturers of cotton milling machinery in America and England. Owing to the favorable position of the machinery industry in the United States, we are now enjoying a liberal share of this new development of the China-American trade, and now have installed in various parts of China modern mills that will always stand as a monument to American industry and engineering methods. China now has about 45 cotton mills with 1,500,000 spindles and approximately 7,000 looms. This is approximately one-third of the present Japanese development in these lines and in many ways the last few years in the Orient has been a race between Chinese industrial development and Japanese political control of China. This latter element is of tremendous importance to American trade in China and points to the very great necessity for Americans to spare no effort that would result in the development of the industries of China. Another phase of this development is found in the exchange situation, or at least that phase of it that is not affected by the abnormal position of silver. Since 1913 America through her great purchases of Chinese native products has built up in China an adverse trade balance of Gold \$338,600,000. In other words these figures



represent the excess of our purchases from China over our sales to China. To balance this we have shipped to China in the same period gold and silver bullion to the approximate value of \$164,900,000 leaving \$173,700,000 still unpaid. These figures certainly are an important element in the fact that during the past year China has been the only country in the world, where the American dollar has been at a discount. To bring this trade into a healthy condition it is of highest importance that a market be developed in China for American products that will at least approximate the volume of our purchases from China.



Mr. S. P. ELLIOTT

Member of the Executive Committee of the American Chamber of Commerce of China

From the standpoint of the American personnel in China there has also been a gratifying development. The American population in Shanghai has increased from approximately 1,200 in 1914 to approximately 3,000 for 1920, giving this city one of the largest American populations of any city outside of the United States. American firms are now for the first time in their experience in China, able to obtain staffs composed of American young men who have come out to China with a view of remaining in this part of the world for a considerable period. We desire to recommend to American interests at home especially the necessity of keeping up this tendency if we are to maintain and constantly improve our position in the Orient. The fact that America is now the wealthiest and most powerful nation in the world is not sufficient in itself to maintain our position. We must constantly send out our young men to foreign countries and they must study and learn to meet other nationals on an even basis if we are to make our present position secure. And it is but common courtesy that we do this, for the Orient is constantly studying us and learning our language and trade practices. China alone has in America at the present time approximately 2,000 of her young men who are studying at American colleges and universities. If we are to keep abreast of the tide we must do the same thing for China. Living conditions in Shanghai are rapidly becoming "modern" from the American standpoint and even in the most primitive outports it is possible for foreigners to live in a considerable degree of comfort and advantage to themselves if they approach the problem in a proper spirit. Shanghai now has two modern American clubs,

American religious services, and an American school which is to be rebuilt in the coming year on a modern basis that will give educational facilities for Americans in China that will be practically as high class and efficient as educational institutions at home. The city is suffering from a period of congestion and high office and residence rental that is prevalent in other parts of the world, but which will be improved in the coming year by new construction which is now going on apace with the increase in population. Shanghai now has approximately 1,500,000 people, of which about 25,000 are foreign; made up of about every race and nationality in the world.

The Executive Committee of the Chamber has held some twenty-eight regular and special meetings during the past year and a tremendous amount of business has been transacted. Some of the specific activities and accomplishments of the Committee are summarized herewith:

- 1—Assisted materially in the campaign for raising funds both in China and in America for a modern American School in Shanghai. In this work there has been full cooperation of the American business interests in China with the American missionary interests in this field. The fund is now well beyond the \$250,000 mark and it is hoped to reach a half million by the time that construction work begins. Efforts are now nearing completion for the acquisition of a large tract of land that will serve for school purposes.
- 2—The Chamber has published a monthly bulletin of information to its members both in China and in America and in addition copies have been sent regularly to the leading chambers of commerce and trade organizations in the United States. The *Bulletin* has served as a clearing house for general trade information of value to American firms in the field and also to firms in America that are interested in the field.
- 3—The Chamber has cooperated with the Whangpoo Conservancy Commission and other chambers of commerce here in urging upon the Chinese Government the necessity of improving and deepening the Shanghai harbor in order that proper advantage may be taken of the rapid development of the commerce of China.
- 4—Many dinners and general meetings have been held for the entertainment of prominent visiting American business men, financiers and officials, the most notable being functions for Hon. Charles R. Crane, recently appointed American Minister to China; entertainment for Messrs. Stone, Wiggin, and Bruce of the Pacific Development Cooperation; and a cooperative entertainment with the various Chinese Chambers of Commerce in honor of Mr. Thomas W. Lamont, of J. P. Morgan and Company, representative of the American banks in the International Banking Consortium.
- 5—The circulation of a number of important reports and literature among American firms at home, Chambers of Commerce, and newspapers dealing with the political problems in this part of the world. Many of these reports have been the subject of discussion in Congress and have appeared in the Congressional Record as part of the debates and discussions pertaining to the Peace Treaty and especially those matters affecting the peace of the Far East. There is no question but what this phase of the Chamber's activities is of highest importance, for it has served to acquaint the American people at home with the essential problems of this part of the world not only affecting business development, but also seriously affecting America's vital interests in this part of the world.
- 6—Through its arbitration committee and otherwise the Chamber has assisted in the settlement of several disputes between American and Chinese firms and firms of other nationalities in this field. The Chamber now has a regular schedule of fees for such work and many expensive legal cases have been avoided.
- 7—The Chamber has assisted the U. S. Shipping board materially in the development of an American merchant marine on the Pacific by placing before the board specific information regarding competitive conditions in this part of the world. It assisted in encouraging the appointment of a Shipping Board representative in China and also helped materially in inducing the American marine and insurance companies to enter this field.
- 8—The need of a specific federal incorporation law which would provide incorporation for American companies for foreign



trade purposes in China, was brought to the attention of Congress and now has a considerable chance of enactment. At least two specific bills are now before Congress for this purpose and in case neither pass and receive the President's signature, a substitute measure is provided in an amendment to the Federal Incorporation Enactment of Congress of March 2, 1903 which is already being applied in China through the U. S. Court for China. The chief features of the proposals are the need of a specific federal law that will permit the incorporation of American companies for purposes of trading abroad, instead of the present necessity of incorporation under the various



Mr. T. E. DOREMUS

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state laws which are cumbersome and conflicting since they were not drawn for specific foreign trade purposes; and the importance of relieving American firms engaged in foreign trade exclusively from the income taxes which firms engaged in the purely home trade have to pay. In seeking relief from these taxes, American firms in the outports do not desire to shirk their responsibilities to their home government, but to be placed on an even competitive basis with British, Japanese and French firms with which they are in competition in the foreign field. British, French and Japanese firms doing business in China do not have to pay income taxes on their foreign business and thus are in a much more favorable position for competing with Americans in the markets of the Orient. Some of these firms shipping Chinese products to America, operating through commission houses, can compete advantageously in American markets in that they do not have to pay taxes to their own government nor to the Government of the United States as American firms do.

9—The Chamber assisted materially in the solution of the problems confronted by foreign firms in China because of conditions growing out of the anti-Japanese boycott and unsettled political conditions in China during the past year. American firms generally were quick to make adjustments whereby Chinese merchants were enabled to replenish their stocks of necessities from the American market and the great

increase in our trade for the past year is largely a result of this activity. Many American lines were thus placed on the Chinese market for the first time and much permanent good will result.

- 10—The Chamber has encouraged the formation of other American Chambers of Commerce in the other large cities of China and is glad to report the formation of chambers in Peking, Hankow, Changsha, Harbin, Mukden, and Vladivostock. A progressive American Chamber of Commerce has been in existence at Tientsin for a number of years. At the present time a movement is on foot to coordinate the work of the various American commercial bodies in China.
- 11—In response to numerous communications and petitions which the Chamber had sent to commercial bodies at home and also to the Department of Commerce at Washington, the Government sent to China an acting commercial attache, Mr. C. V. Batchelder, who has been stationed in Peking during the absence of Mr. Julian Arnold in America and in addition a resident trade commissioner, Mr. Lyan W. Meekins, who has also been stationed in Peking. It is hoped that both of these gentlemen will remain in China after Mr. Arnold's return and that one man will be located permanently at Shanghai in view of the importance of this port to the development of American trade in China.
- 12—The Chamber assisted in the promotion of the Union Club of China, an organization composed of American, British and Chinese business men, the purpose of which is to foster closer relations among the three nationals and provide a place where business men of the three nations might meet on a common basis. The club is now in existence, and in spite of difficulties in finding a permanent location, has demonstrated the soundness of the idea. An American is president of the club for the present year.
- 13—Due largely to the efforts of the Chamber, the U. S. Government made some necessary adjustments in the salaries of the American Consular officials in China and also provided an increase in salaries for the student interpreters at Peking. This enabled the Government to retain the services of several valuable trained men who were being forced from the service.
- 14—The Chamber sent a delegation composed of nine authorized delegates to the annual meeting of the National Foreign Trade Council at San Francisco with a number of proposals for the development of American trade and interests in this part of the world.
- 15—A great deal of effort was devoted during the year to the solution of the difficulties affecting the cable and wireless situation between China and the United States. One definite accomplishment was recorded, that is, the inauguration of an American wireless news service to China and the granting by the naval radio service of a six cent a word wireless rate for news telegrams between the Pacific Coast of America and the coast of Asia. The naval radio was also opened to the sending of commercial messages, but this was of no particular benefit to American firms in China because of the lack of an American sending station in Shanghai. It is understood however that the new arrangement has been of considerable benefit to business interests in the Philippine Islands. It should be noted here that cable communication between China and America is still in a deplorable condition, and that it still requires from one to three weeks to receive replies to regular commercial cables.
- 16—The Chamber received from the Silk Association of America a contribution of Tls. 5,000 which was turned over to the International Committee for the Improvement of Sericulture in China, said sum to be used in educational and improvement work the committee now has under way. The American Chamber is represented on the international committee by Mr. E. A. Ericson, of Villa Bros. & Co.
- 17—The Chamber assisted in inducing the American Bureau of Shipping and American Marine Insurance Companies to establish offices in Shanghai and in addition helped materially in obtaining the appointment of an American surveyor for Shanghai and the other China ports. It is gratifying to note that as the Chamber is becoming more widely known in America, manufacturers generally are availing themselves of its services in obtaining agency connections and in opening offices in China.



- 18—The Chamber arranged for the employment of Mr. Wm. A. Chapman as a permanent secretary to devote his entire time to the interests of the organization.



Mr. W. G. AVERY

Member of the Executive Committee of the American Chamber of Commerce of China

- 19—The Chamber approved a proposal brought before the Committee by Mr. Frank A. Foster of Paotingfu to the effect that the American Government should permit the entrance to America of Chinese students for admission to American colleges and universities on a self-supporting basis. It was reported that several hundred Chinese young men students desired to enter American schools and to earn part of their expenses while in America as apprentices in American factories. In view of the value to China and American interests of having these young men become familiar with American machinery and engineering practice, it was recommended to the State Department and also to other departments of the U. S. Government that these young men should be permitted to enter the United States without the \$1,000 which the Government now demanded and that the bar against permission of these young men working while in America be removed. Mr. Foster was authorized to bring this matter to the attention of Congress and the State Department and also to the attention of the delegates attending the National Foreign Trade Convention in San Francisco, May 12-15.

- 20—The Committee is arranging to obtain quarters in a new American office building now in process of construction.

The Chamber takes pleasure in recommending to the attention of its members and American interests in general the following definite proposals and problems which must be solved if American trade and interests in China are to achieve their full measure of development:—

- 1—The enactment of an incorporation law which will enable American business men to organize in China, and in other countries where America enjoys extraterritorial privileges, companies for specific purposes of foreign trade similar to privileges which other nations trading in this field enjoy. This incorporation law will relieve American firms from the

uncertainties and conflicts of the various state incorporation laws and will be an important adjunct of the Webb-Pomerene Law permitting combinations or "pools" for foreign trade purposes and the Federal Reserve and Edge Acts permitting American banks to organize foreign branches and to form special corporations for extending financial credit for foreign trade purposes.

- 2—American firms and individuals whose activities are entirely in the foreign field should be relieved from income taxes on incomes derived entirely in the foreign field. The American Government should extend this assistance to its own foreign trade until such time as other nations impose income taxation upon their nationals engaged in foreign trade. In short America should place its nationals upon an even basis with the citizens and subjects of other countries, otherwise America gives foreigners an advantage in handling her own foreign trade.
- 3—The American Government should encourage and assist China in the abolition of the "likin" or internal transportation tax which serves to retard and handicap the development of the internal commerce of the country. It will be impossible for China to develop in an industrial way until this tax is removed, which not only prevents the importation of foreign goods into the interior of the country, but also handicaps the shipment of native products from the country. The American Government, in association with American financiers and bankers, should also assist China in providing a modern stabilized currency, the present chaotic condition preventing a full development of native and foreign business alike.
- 4—It is just as important to have river and coastal steamers under the American flag in China as it is to have American lines of steamers delivering and receiving cargo between China and the United States. Terminals, including landing wharves and lighters, coasting and river steamers, are as imperative to the development of American trade on an equal basis as are American bottoms carrying the products across the Pacific. If American firms must depend upon competitors for any of these items its profits may, by preferential treatment, disappear before the imports are delivered to the interior in China.
- 5—It is important that American firms, shipping companies and banks should own their own business houses in the various Chinese ports. Americans have no concessions, or special areas reserved for their residence in China, and in consequence live and have their business locations in the concessions owned by other nations. It is not probable that China will grant any further concessions for foreign residence, and it is altogether possible that the various foreign nations now possessing concessions will at some future date limit purchases to their own nationals. For this reason it is important that American firms expecting to be permanent in China should as soon as possible purchase locations for their offices and residences in China. In many of the most important ports it is now practically impossible to obtain water frontage or desirable locations. It is now possible to purchase some property in practically all of the treaty ports, but if China continues to develop at its present pace, this may soon be impossible.
- 6—Additional cable facilities between China and the United States are imperative; otherwise our competitors will be in a position to make firm offers much earlier than will the American firms. Increased cable facilities must be arranged, and pending completion of such, wireless stations should be installed and made accessible for commercial purposes. During the last year, even since war restrictions have been removed, cable delays have been almost as slow as mail communication between China and America. Our one cable line is often interrupted and is always congested. A high power American wireless sending and receiving station should be constructed in Shanghai, a procedure which China cannot logically object to as long as the Japanese are permitted to construct radio stations in Chinese territory.
- 7—Perhaps the greatest need from the standpoint of efficiency and national prestige is government ownership of American consular premises in China similar to what other nations have, not only in China but over the world generally. This is even



more imperative than is the need for American firms to own their own property.

- 8—American firms in the foreign field should work to develop a spirit of cooperation and the development of a solid front in their dealings in the foreign field and nowhere is this of greater importance than in the Orient. Recent legislative enactment has now made it possible to form cooperative enterprises for foreign trade purposes among manufacturers in similar lines. American individuals should now carry this work still further by forming their own organizations and trade associations that will minimize destructive competition and constantly work toward the standardization of trade practices and the enhancement of our national prestige.
- 9—The American Government should develop a fixed and continuous policy toward China and Oriental problems in general and this policy should be developed to the end that China shall constantly be assisted in the development of an independent democratic form of government and institutions.
- 10—American banks and firms should be encouraged to develop branch organizations throughout the treaty ports of China. This is especially important in South China where American firms have not been represented to any great extent. The Chinese Government should also be prevailed upon to establish new treaty ports to accommodate trade with other nations.
- 11—Since nations largely form impressions of each other through the exchange of news, it is of the highest importance that there be arranged a free and full exchange of news between China and America. In the past American news has been distributed in China through news agencies not always friendly to America and American institutions. This has served to create in China a distorted idea of American life and our only safeguard is an American controlled news service that will not only bring American news to China, but which will see that it is actually distributed to the press of China.
- 12—The National Committee of the Young Men's Christian Association should be encouraged to construct a modern building in Shanghai for the use of and service to American young men who are now coming out to China in such large numbers. For many years this organization has been providing effectively for the Chinese young men, and the time has now arrived for provision for our own young men in foreign lands.
- 13—The Chamber appreciates the valuable and efficient service rendered to American business in China by the United States Diplomatic and Consular Services and by the office of the Commercial Attache and the Special Trade Commissioners sent out by the government. As specific recommendations, the Chamber urges more liberal support to both the Legation and the Consulates for clerical assistance and especially for the office of the Commercial Attache which should have branches in all of the important trade centers. As a further recommendation the Chamber urges that the special trade "opportunity" reports originating in China be immediately made available for American merchants in China in order that they be not forced to wait several months for the reports to be forwarded to Washington and then returned to China after the opportunity has passed or has been taken advantage of by merchants of other than American nationality. The Chamber also recommends that provision be made whereby the various American Consular offices in China may make public to American merchants in China the monthly statistical information covering the trade between China and the United States.
- 14—The Chinese Government is now supporting in America approximately 1,500 young men and women as students in our various colleges and universities. America should now reciprocate and send to China a large number of American young men and women for instruction in the history, people, customs and institutions of the Orient. Provision should be made in China for the education of these young men and women at public expense. Upon completion of their education these men and women would be eligible for positions in our consular and diplomatic service and with American firms.
- 15—American firms and manufacturers at home should be constantly urged to send out representatives for work in their foreign branches of the very highest character and educational qualification. In China as elsewhere in the world the nation is largely judged by its individuals, and for this reason we should maintain the same qualifications for our foreign representatives as we have always insisted upon at home.
- 16—Constant effort should be made toward the development of Chinese-American cooperation in business, finance and manufacturing. It is only in this way that we can achieve the greatest benefits in business development in China. China needs leadership more than any other single element, and if we can supply that leadership, we naturally will benefit accordingly in the future development of the country.
- 17—The large Chambers of Commerce and trade associations in America should be urged to maintain in China permanent representatives who would be interested in promoting the manufactured products of the various American trade centers and who would also be constantly on the watch for China's native products that would find ready sale in America in the various trade centers and in the various avenues of American business.
- 18—The various trade associations in the United States should be encouraged to send to China at periodic intervals commissions of American business men to make investigations of the China market and to extend good will greetings to Chinese business men and in turn invite Chinese business men to visit America for similar investigation of our markets and manufacturing enterprises.
- 19—Since China is working toward the development of her courts and the codification of her laws, America should assist China in this work and help her to bring her legal machinery to a modern status. In this connection, China should be urged and encouraged to enact at the earliest possible date a modern trademark and copyright law that would end the present confusion among foreign firms trading in China and also existing between foreign and Chinese firms.
- 20—The Chinese Government in association with the large Chinese Chambers of Commerce and Trade Guilds should be urged to work toward the improvement and standardization of Chinese native products shipped abroad to foreign countries. In this connection the Chamber has been considering the establishment of a chemical laboratory with a view to furnishing correct analyses of China products to purchasers at home. Unless something is done soon along this line China stands to lose a great deal in good will in the American and other foreign markets. On the other hand foreign firms should set China a good example in the high quality of their merchandise sold in this field.

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### Tremendous Commercial Expansion in Japan During March

In connection with the prevailing gloomy outlook in Japan's economic circles, it is of interest to note that investigations made by the Mitsui Bank, of Tokyo, show that the capital in connection with the promotion of new companies and the extension of old ones during March amounted to about \$1,098,000,000, an increase of \$502,500,000 over the previous month and an increase over March, 1919, of \$1,033,000,000. The new companies promoted numbered 343 and companies extended 158. The capital issued during the short period of only one year is unprecedented in the history of Japan.

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### Sir Raymond Dennis in China

Sir Raymond Dennis, K.B.E., one of the founders and managing director of the powerful motor truck house of Dennis Brothers, Ltd., Guildford, England, is a welcome visitor to China. Sir Raymond is on a tour around the world in the interest of his firm.



# Sino-Japanese Notes on the Shantung Question

**O**N June 16, the following statement was issued by the Foreign Office in Tokio in connection with the Note, handed to the Chinese Government in Peking by the Japanese Minister on June 14:—

"When the Treaty of Peace became effective in January, the German rights and interests in Shantung passed into the possession of Japan by virtue of its provisions. The Japanese Government, in accordance with their repeated declarations and pledges and with the desire and intention to effect the restoration of Kiaochou to China and to settle matters incidental thereto, instructed the Japanese Minister in Peking to inform the Chinese Government as follows:—

"(1) That the Japanese Government, desiring to open negotiations with the Chinese Government, relative to the restoration of Kiaochou to China and the settlement of the details incidental thereto, and hoping thus to effect a speedy solution of the entire question, expresses the hope that the Chinese Government will make the necessary preparations to negotiate.

"(2) That it is the intention of the Japanese Government to withdraw the Japanese troops from along the Shantung Railway as a matter of course upon an agreement between the two Governments with regard to dispositions at Kiaochou. In fact the Japanese Government wished to withdraw the troops as speedily as possible even before an agreement was entered into, but, in the absence of any competent force to assume the duty of guarding the railway after their evacuation, they were constrained to keep those troops temporarily stationed there in order to ensure the security of communications and to safeguard the interests of Japan and China, who are co-partners in a joint enterprise. The Japanese Government therefore hope that the Chinese Government, appreciating the intentions of the Japanese Government, will promptly organize a police force to replace the Japanese troops guarding the railway, even before an agreement is reached as to other details!

"The Japanese Government are fully prepared to proceed with negotiations and to carry out their pledges, but three months have passed without a reply being received. It is a source of the deepest regret to the Japanese Government that, at a time when all nations of the world are making efforts for the establishment of an enduring peace, questions of importance remain unsettled between Japan and China."

"Therefore the Japanese Government, being all the more desirous of speedily settling the matter for mutual benefit, instruct-

ed the Japanese Minister at Peking on April 26 to urge upon the Chinese Government the importance of taking the necessary steps. It was not until May 22 that the Chinese Government gave their reply to the request of the Japanese Government. The reply was in the nature of a request for delay.

"The Chinese Government said:

"The Chinese Government fully appreciate the intention of the Japanese Government to restore Kiaochou and to prepare for the evacuation of their troops along the Kiaochou-Tsinanfu Railway, which are the incidental to the carrying out of the terms of the Treaty of Peace. China, however, has not signed the Treaty of Peace and is not now in a position to negotiate directly with Japan on the question of Tsingtao. Furthermore the people throughout China have assumed an indignantly antagonistic attitude toward the question of Kiaochou. For these reasons and also in consideration of the amity between Japan and China, the Chinese Government do not find themselves in a position to make a reply at this moment. On the other hand, the state of war with Germany having ceased to exist, all Japanese military establishments within and without the leased territory Kiaochou are unnecessary and the restoration of all pre-war conditions along the Kiaochou-Tsinanfu Railway being heartily desired by the Chinese Government and the people of China, they propose to effect a proper organization to replace the Japanese troops in order to secure and maintain the safety of the whole line. However, as this is independent entirely of the question of the restoration of Kiaochou, the Chinese Government trust that the Japanese Government will not delay the execution of the evacuation."

"Upon receipt of this reply the Imperial Government of Japan addressed a Note to the Chinese Government, urging reconsideration. The Note was as follows:

"In their memorandum the Chinese Government stated that they did not find themselves in a position promptly to meet the request of the Japanese Government for the opening of negotiations, looking to the adjustment of questions and arrangements, provided for in the Treaty of Peace with Germany, because of the importance which they attached to the relations of amity between Japan and China, and also because China had not signed the Treaty of Peace with Germany, and further because the people of China were indignant. The Japanese Government, however, would point out that a fundamental agreement exists between Japan and China as to the disposition of the leased territory of Kiaochou. The repeated declarations of the Imperial Japanese Government leave no room for doubt of the singleness of purpose, with which Japan seeks a fair and just settlement of the question at the earliest possible date.



Hon. CHENG LU,  
Acting Chinese Minister for Foreign Affairs



Hon. TORIKICHI OBATA,  
Japanese Minister at Peking



“The Imperial Japanese Government, therefore, fail to understand the contention of the Chinese Government that they do not find it convenient to negotiate directly. It is a plain and positive fact that all the rights and interests, which Germany formerly possessed in Shantung, have been transferred to Japan in accordance with the Treaty of Peace. Since the Chinese Government had previously given her consent to the transfer, these rights and interests rightly come into the possession of Japan. It follows naturally, therefore, that these rights cannot be affected in any way by the refusal of the Chinese Government to sign the Treaty of Peace.

“Immediately upon the coming into force of the Treaty of Peace with Germany, the Japanese Government, in accordance with past repeated declarations and pledges, proposed to the Chinese Government to open negotiations with a view to the restoration of the rights and interests in Shantung under the understanding, reached in Paris, and also to negotiate over matters in connection with the restoration of the territory, formerly leased to Germany.

“The Japanese Government had hoped that the Chinese Government would respond readily to the proposal and would not hesitate to open up the way for the Japanese Government to demonstrate by concrete actions a policy of fairness and justice towards China. Contrary to expectations, however, the Chinese Government after a delay of several months replied that they did not find it advisable to open negotiations, giving the reasons above-stated. It need hardly be necessary to point out, therefore, on whom the responsibility for delaying the settlement of the question of Shantung rests.

“The Imperial Japanese Government, however, always considering the amity and good neighborhood between Japan and China, hereby reiterate their declaration that they will accept a proposal for negotiation at any time considered agreeable to the Chinese Government.

“In connection with the Railway guard along the Shantung Railways, the Japanese Government refer to their Note of January last, containing the statement of their intention to withdraw the Japanese troops at once, even before the conclusion of negotiations, if a Chinese police force is organized, competent to take over the responsibilities of guarding mutual interests. Reference is made to military equipments, established in and around Kiaochow. These constitute additional grounds for negotiations. It is with the desire definitely to settle with China as to the disposition of these equipments that the Japanese Government seeks to commence negotiations. If the Chinese Government will proceed to negotiate, it need hardly be emphasized that all minor questions will be solved simultaneously.

“In conclusion, while the Japanese Government deeply regret the enforced delay in carrying out the understandings and agreements, reached at the Paris Conference, they stand unchanged in the sincere desire to promote a fair and just solution of this question with the least possible delay in pursuing a fixed policy towards China.”

## To Fly Across the Pacific

### All Asia and Ocean Ports Keyed Up in Expectation of Daring American Naval Winged Visitors

Far Eastern ports are anticipating with lively interest the possibility that they may receive a visit from the two United States naval flying boats first to attempt flight across the Pacific. A message from New York gives some details of the preparations for the 7,616 miles aerial cruise.

The seaplanes to be used are said to be nearly twice as large as the “N.C.’s” which succeeded in crossing the Atlantic. A *Central News* correspondent says that “the enterprise has been made feasible through the inventive genius of the aeronautical engineer, Edson Gallaudet, who has succeeded in coupling three Liberty engines to one eighteen foot propeller. Each machine will have altogether nine engines. There will be four stops, at Honolulu, Wake-Island, Guam, and Manila, the first stage being a distance of 2,091 nautical miles.”

## Japan has 18,521 Steam and Sail Ships

Total Registered Tonnage given Officially as 4,085,015, a Gain During the Last Year of 1,706 Ships and 574,324 Tons

Tokyo, June 15.—Japan has materially strengthened her mercantile marine during the twelve months ended March 31 of the present year. At that date, according to statistics compiled by the Shipping Bureau of the Communications Department, 18,521 steamships and sailing vessels were registered in the Shipping Ledger, with a gross tonnage of 4,085,015.

Compared with the number of vessels registered last year, which amounted to 16,815 ships totalling 3,510,691 tons, this is an increase of 1,706 ships and 574,324 tons, and compared with figures issued in 1912, a gain of 7,127 vessels and 1,816,428 tons, the ships amounting to 11,394 with a tonnage of 2,268,587 in that year.

The detailed figures, just made public, are:—

				Steamers exceeding 1000 tons capacity	
				Number	Tons.
Japan proper	...	...	...	739	2,435,393
Chosen	...	...	...	11	26,231
Taiwan	...	...	...	2	5,450
Kwantung	...	...	...	34	111,653
Total				786	2,578,727
Steamers with capacity between 100 and 1,000 tons:—					
				1,783	3,025,975
Grand total				3,079	3,079,637
Sailing Vessels:—					
“ton” vessels	...	...	...	14,456	973,234
“koku” vessels	...	...	...	1,004	321,443
Total				15,460	1,005,378
Total of steamers and sailing vessels				18,521	4,085,015

The steamship companies and other shipowners who possess over 10,000 tons steamers are as follows:—

Owners	No. of vessels	Total Tons
N.Y.K.	97	462,185
O.S.K.	79	318,603
Kokusai Kisen Kaisha	53	284,676
T.K.K.	10	90,199
Mitsui Bussan Kaisha	17	54,811
Yamashita Kisen Kaisha	18	49,520
Katsuda Kisen Kaisha	11	49,466
Tatsuma Kisen Kaisha	11	47,287
Taiyo Kisen Kaisha	8	44,968
Kawasaki Dockyard	6	43,265
Kishimoto Kisen Kaisha	11	41,487
Uchida Kisen Kaisha	13	35,437
Kawasaki Kisen Kaisha	6	35,186
Teikoku Kisen Kaisha	13	32,880
Nisshin (Japan-China) Kisen Kaisha	13	32,767
Kokai Shoji Kaisha	7	23,159
Mitsubishi Shoji Kaisha	9	21,451
Asano Shoji Kaisha	5	20,043
Taisho Kaiun Kaisha	4	21,373
Ryoto (Liaotung) Kisen Kaisha	5	20,128
Kusakabe Kaisha	11	17,896
Meiji Shipping company	5	17,675
Towa Kaisha	8	16,705
Nitta Kisen Kaisha	11	16,342
Finance Department	9	15,593
Itaya Shosen Kaisha	5	15,248



## Revival of American-Chinese Shipping

Tonnage was Doubled during 1919—British and Japanese Gains

American tonnage entering Chinese ports doubled during 1919. British and Japanese figures also indicated revival from disturbances of traffic during the war. The statistics for 1919 and the four previous years are as follows:—

Flag.	1915.		1916.		1917.	
	No.	Tons	No.	Tons	No.	Tons
American .....	3,149	804,414	3,082	799,913	3,609	1,125,155
British .....	33,339	37,675,657	34,132	35,840,573	34,902	33,576,217
Danish .....	82	115,628	115	206,734	83	142,238
Dutch .....	287	496,664	233	463,995	374	712,439
French .....	537	561,955	409	596,237	328	584,891
German .....	979	58,263	1,151	66,532	233	17,054
Italian .....	—	—	57	979	478	14,912
Japanese .....	20,141	23,873,016	21,598	24,233,835	22,454	24,581,647
Norwegian .....	726	774,873	472	636,217	370	474,349
Portuguese .....	784	152,021	440	129,478	456	199,438
Russian .....	4,873	1,922,055	3,790	1,545,085	3,276	1,429,200
Swedish .....	26	69,450	34	101,948	10	26,692
Non-Treaty Powers .....	—	—	2	1,466	—	—
Chinese Shipping .....	43,282	18,655,411	45,552	18,460,533	46,422	18,517,957
„ Junks .....	98,683	5,503,598	90,949	4,936,576	100,478	5,504,860
Total .....	206,887	90,663,005	202,016	88,020,101	213,473	86,907,049

Flag.	1918.		1919.	
	No.	Tons	No.	Tons
American .....	3,119	1,214,921	4,433	2,569,887
British .....	31,034	29,911,369	36,074	36,284,312
Danish .....	86	86,847	93	185,697
Dutch .....	416	575,757	362	461,782
French .....	365	230,223	471	414,161
German .....	—	—	—	—
Italian .....	464	28,796	298	53,142
Japanese .....	24,961	25,283,373	27,182	27,532,449
Norwegian .....	191	257,669	311	302,959
Portuguese .....	172	60,350	118	50,292
Russian .....	1,949	795,529	2,803	708,474
Swedish .....	8	20,168	18	53,650
Non-Treaty Powers .....	—	—	16	19,368
Chinese Shipping .....	43,638	16,984,523	49,043	22,553,448
„ Junks .....	87,164	4,798,181	88,532	4,536,314
Total .....	193,567	80,247,706	209,754	95,725,935

## The Chinese Puzzle

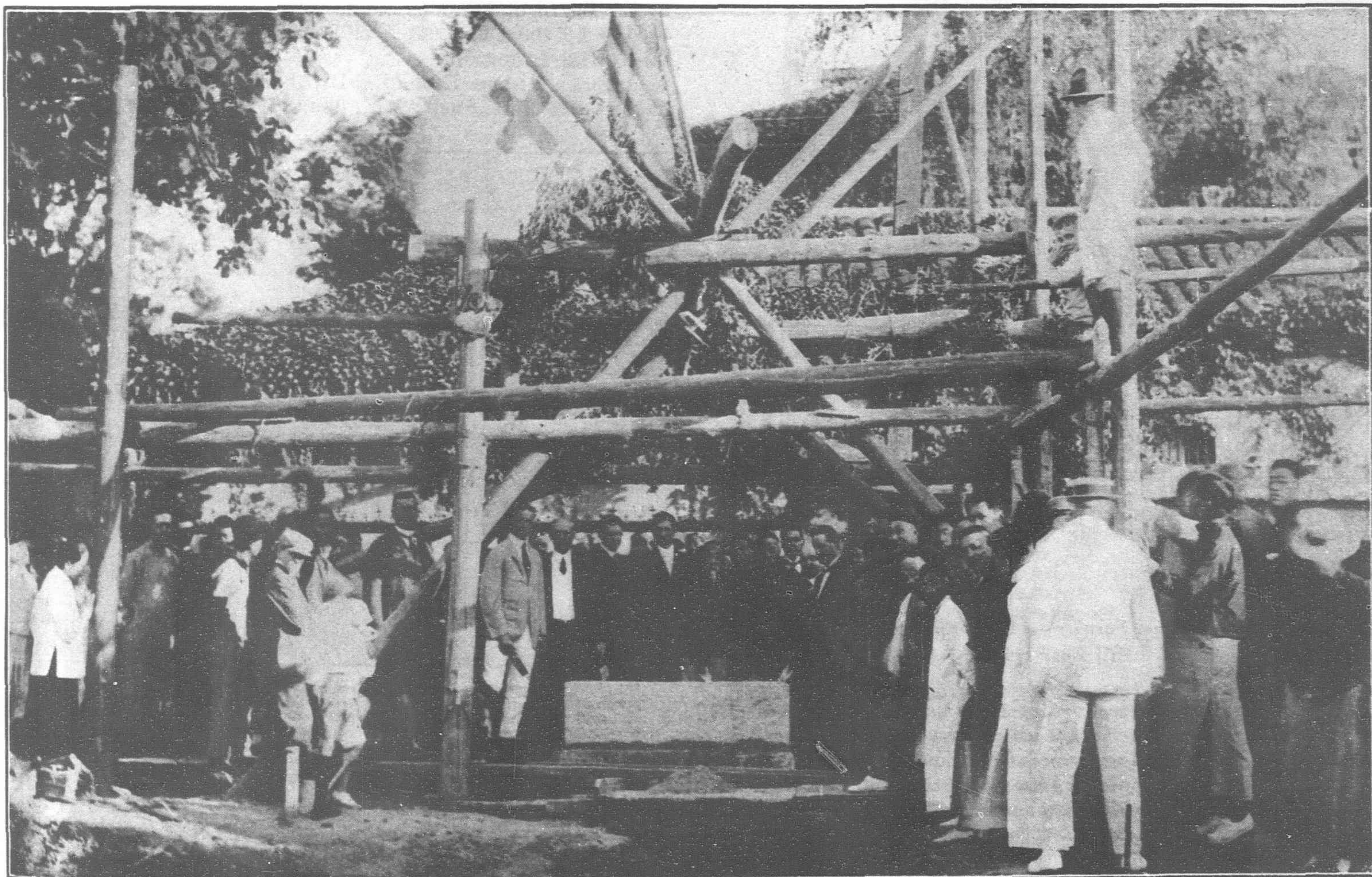
Dr. C. T. Wang, recently named by the Peking Government as a Chinese delegate to the League of Nations, has put the following questions to the mandarins in a telegram to Peking and Canton:—"Why is the Chinese foreign policy so changeable? Why should the same Government make a most harmful international agreement 'with great pleasure,' and then send delegates to ask for its cancellation three months later? What a strange inconsistency there is from the international viewpoint, when we remember that in all international dealings China is always supposed to represent an indivisible entity, internal parties such being internationally unknown."

"From this inconsistent attitude," Dr. Wang continues, "foreigners naturally inferred that we Chinese had not yet fully awakened to national consciousness besides lacking co-operative spirit and self-governing capacity. In view of these bad impressions, rightly or wrongly formed, it was difficult to expect foreign friends to give strong support to our case. After all, we ourselves are to blame."

"Recently, the question of direct negotiation with Japan on the Shantung question constituted a very important point of controversy between North and South, and presented a great obstacle to the reopening of the peace parley at Shanghai. Now, fortunately, the Northern Government has withheld its consent to direct negotiation, and has been making preparations for bringing up the Shantung question and other questions before the League of Nations. With the removal of that great obstacle, the North has come nearer than ever to the South in regard to foreign policy."

"The time, therefore, has come for re-opening the peace parley. It is now imperative to stop further quarrels. North and South are after all in the same boat. Nothing short of a united front will show strength. Diplomatic success largely, if not entirely, depends upon domestic tranquillity. In short, we must put our house in order first."

In conclusion, Dr. Wang says: "It hurts me to reflect on our bitter experience at Paris; it is, therefore, my earnest hope that in the coming International Conferences our delegates will never again experience the same embarrassment that I have mentioned."



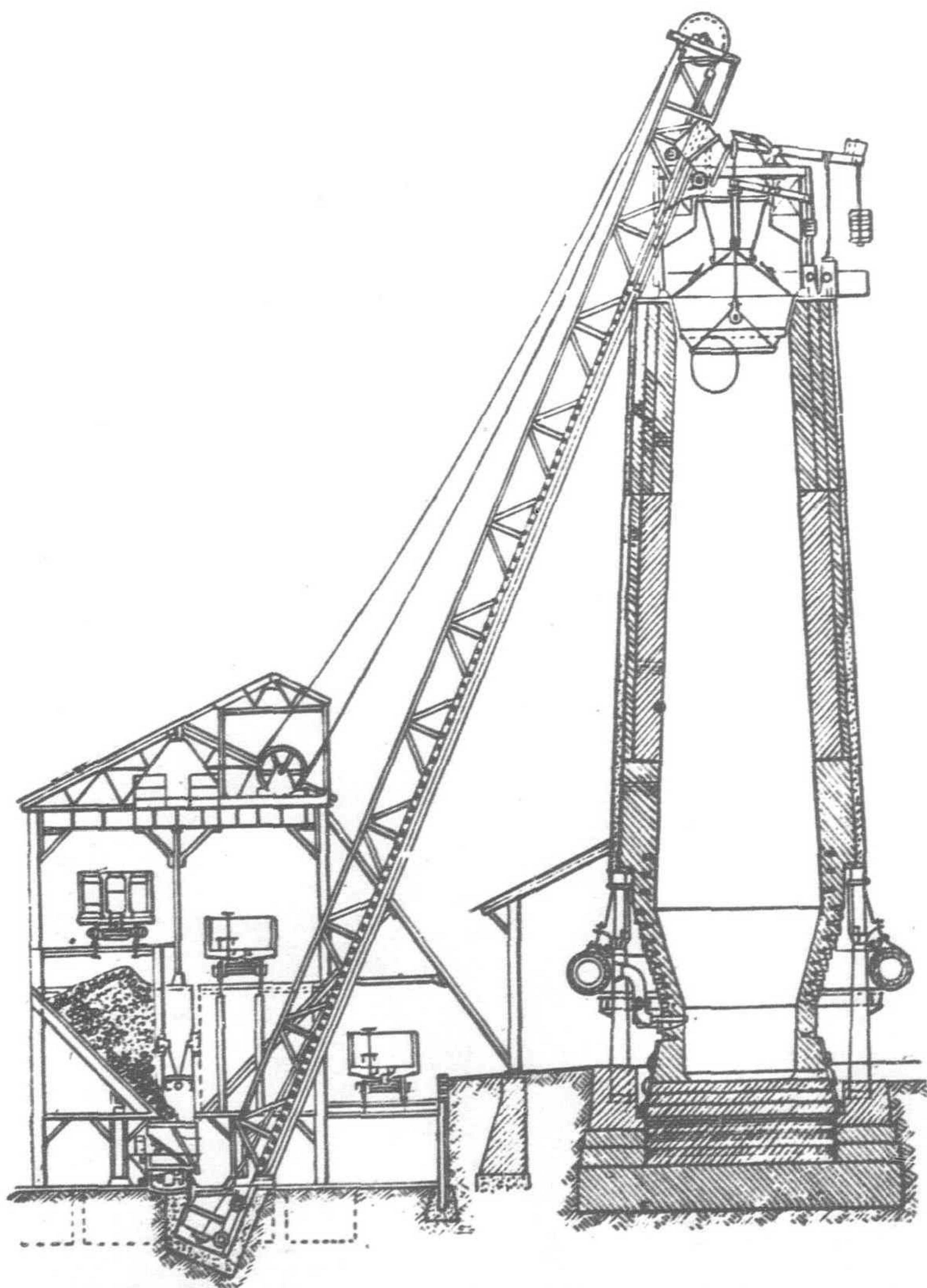
Laying the Foundation Stone for Soochow Hospital



# CONSTRUCTION

## Peking to Have Blast Furnace

Preliminary work has been begun, and material is now on the way from the United States for a 250-ton capacity blast furnace which, it is stated, will form the first unit of a modern steel mill that will make Peking the Pittsburgh of China. A group of Chinese officials and substantial business men, headed by General W. S. Y. Tinge, managing director of the Peking-Hankow railway, has been formed to carry through the undertaking. The site chosen is about ten miles west of Peking on the Yangting river, where the consulting engineer, Mr. Lawrence J. O'Loughlin, of the New York firm of C. P. Perin and S. M. Marshall, found ample water supply just about midway between the points north and south on the railway line from which the furnace will be supplied with its coke and iron.



Type of American Blast Furnace to Form First Unit of Big Steel Mill Near Peking

Mr. O'Loughlin left recently for New York, having completed his part of the work. American engineers will superintend the construction and direct the plant after it goes into blast. The blowing-engines, boilers, pumps, etc., were ordered in the United States some time ago to plans and specifications prepared by the well-known New York engineer. The estimate for the first unit is understood to be slightly more than \$3,000,000. It is expected

that General Tinge will take personal charge of this important new Chinese industry, resigning his directorship of the Kin-Han railway so as to be free to give all his attention to the future steel mill.

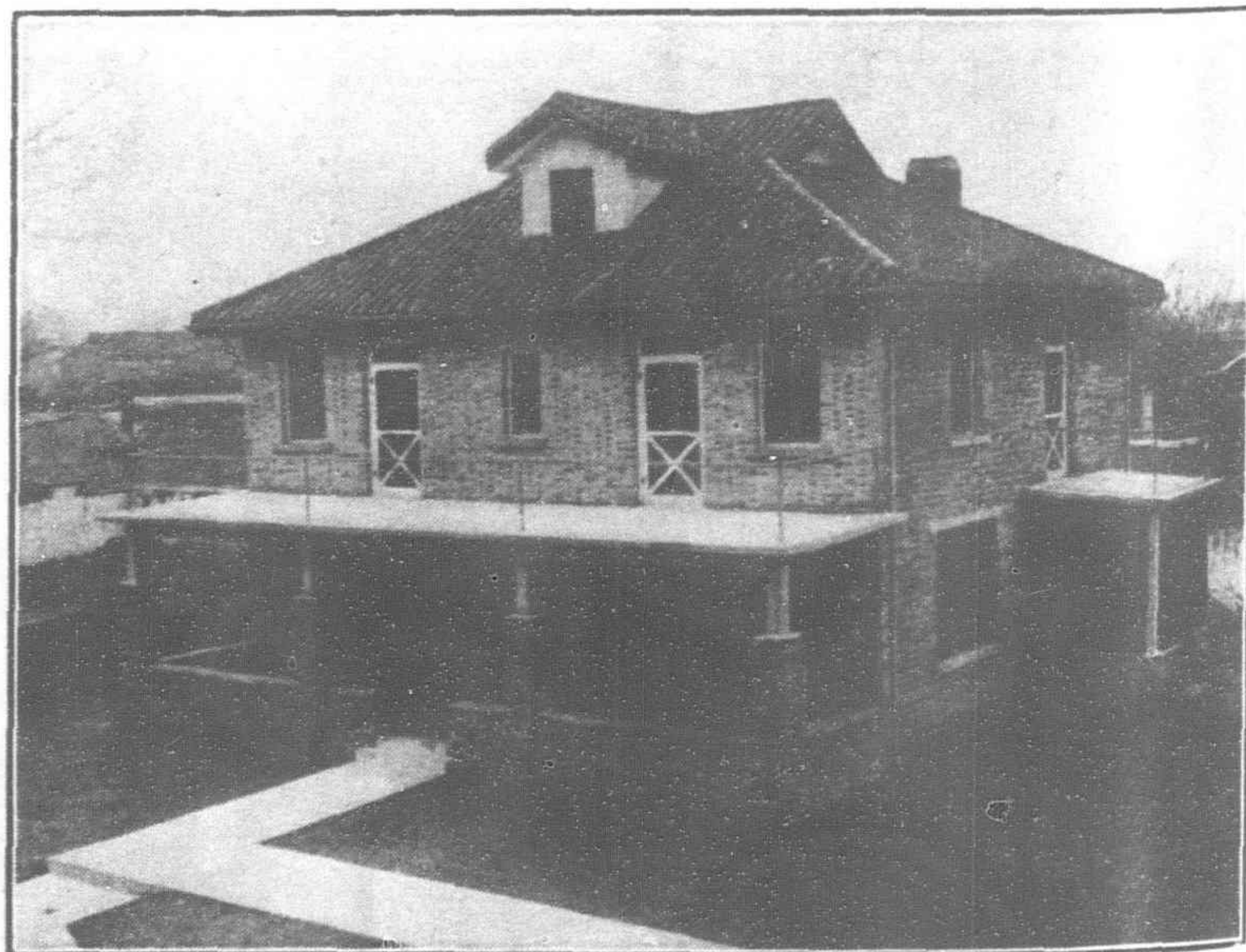
In conversation with a representative of THE FAR EASTERN REVIEW, Mr. O'Loughlin spoke very pleasantly of his experiences at Peking. He has great faith in the possibilities of Peking as a Chinese steel centre and he praises the practical sense of the Chinese business man.

"General Tinge is an able executive," said Mr. O'Loughlin; "and a pleasant man to do business with. I enjoyed every minute of my time in China. This country has a huge engineering future."

Mr. O'Loughlin hails from the city of Cork in Ireland and his next assignment is to put in a blast furnace in that town of his birth, which was a great centre of the ancient iron industry of Erin many centuries before Marco Polo visited China.

## Modern American Hospital for Soochow

A modern American hospital is being built at Soochow, further extending the splendid humanitarian work begun in the ancient city of the celebrated pagoda and "heavenly sky" by Bishop W. R. Lambuth and Dr. W. H. Park, in 1882. The total cost is estimated at \$200,000, \$80,000 being contributed by the Board of Missions of the Methodist Episcopal Church and \$50,000 by the China Medical Board of the Rockefeller Foundation. The balance is being raised in China by the board of managers: Bishop Lambuth, Dr. Park, S. R. Anderson, F. P. Manget, Dr. J. A. Snell, S. K. Tsau, T. T. Pen and T. H. Zau.



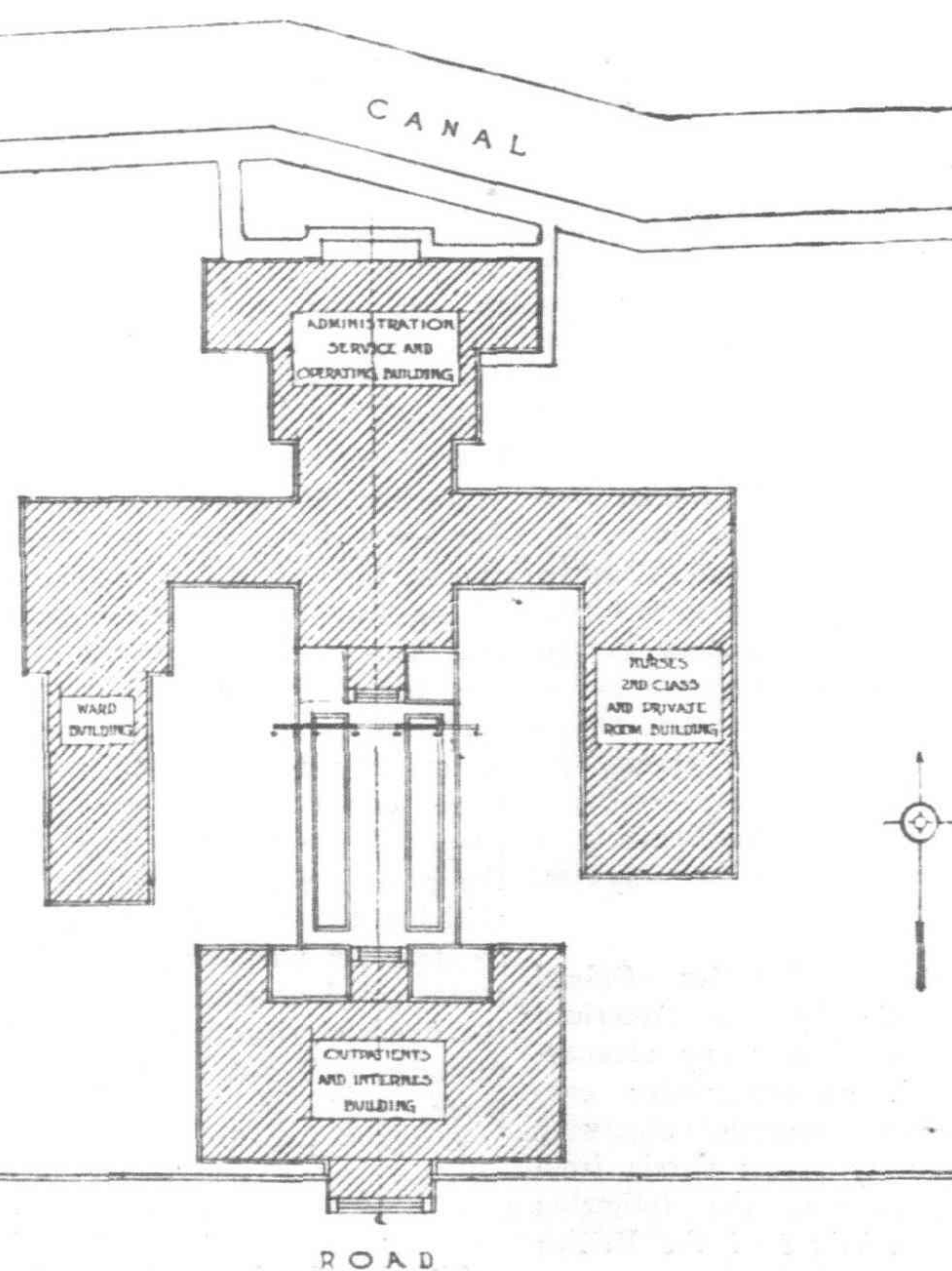
Residence occupied by Dr. Snell. Completed in June 1918. Size exclusive of porch 31' x 39'. Screened, electric wired, modern plumbed bath room with hot and cold water, septic tank, furnace heated, hardwood floors. Complete cost \$5,800.00 local currency. Additional \$500.00 spent on yard and servants' quarters. An appropriation of \$6,000.00 local currency was made by the China Medical Board for this residence.

One of the tragic facts that scream to the western visitor in China is the sad lack of modern sanitation, the unhealthy way in which China's millions live, trebling the need of modern medical



science. To pass through the native city of Soochow and out into the pure air and fine surroundings of the present infant hospital is like leaping out of darkness into light. That the Chinese appreciate the great, good work being done by these excellent missionaries at Soochow was convincingly testified to a representative of THE FAR EASTERN REVIEW who witnessed the laying of the foundation stone of the new hospital on May 29. Chinese, old and young, rich and poor, came in crowds to the ceremony, applauded with zest the speeches made in their own tongue and the sensible American greeting given by Judge C. S. Lobinger, and joined in the singing of the American anthem. The cleanliness and order of the missionary settlement at Soochow advertise American interest in and friendship for China in a manner very pleasant to behold.

The Soochow hospital is being built to plans prepared by Mr. G. F. Ashley, architect for the China Realty Company, in consultation with Dr. J. A. Snell, superintendent of the institution. Mr. Ashley and Dr. Snell made an extended trip through China and Korea, last year, in order to get the latest and best ideas in mission hospital buildings. There are to be two main structures, one for the extern clinic and interns staff and administration; and a building for the exclusive use of intern patients. The extern department will be a two-story structure after Chinese style and the main hospital a three-story building of brick and reinforced concrete with a roof garden. For the most part, the floor will be terrazzo, and steel sash will be used throughout. There are to be ten modern bathrooms, fully equipped with hot and cold water. Over \$5,000 has been set apart for plumbing fixtures. A modern vapor steam heating plant is to be installed. Additional staff residences will be added.



Ground Plan of the New Hospital, from the design by E. F. Ashley, Architect

The American Trading Company secured the contract for the principal part of the building work: Truscon Steel Company materials, concrete reinforcing steel and details, expanded metal lath, integral waterproofing and the plumbing and heating plant materials.

Gaston, Williams and Wigmore supply the window glass.

The Detroit Steel Products Company, represented by the Elm Company of Shanghai, furnish the steel sash.

The China Investment and Trading Company supply the electric lighting fixtures.

## Value of Trade Between Shanghai and Foreign Countries 1919

COUNTRIES	Gross Import of Foreign Goods	Export plus Re-export of Chinese Goods	Total	Re-export of Foreign Goods
Hongkong ... ..	\$30,950,117	\$20,858,048	\$51,808,165	\$2,700,465
Macao ... ..	—	111	111	151
French Indo-China ...	592,258	546,014	1,138,272	135,469
Siam ... ..	9,745	369,581	379,326	6,226
Singapore, Straits, etc....	9,670,401	8,464,394	18,134,795	329,032
Dutch Indies ... ..	5,074,526	2,287,075	7,361,601	198,370
British India ... ..	28,483,103	10,059,175	38,542,278	339,432
Turkey, Persia, Egypt, Aden, Algeria, etc....	85,304	5,012,524	5,097,928	55,738
Great Britain ... ..	76,285,599	52,363,261	129,146,860	705,356
Norway ... ..	426,813	246,620	673,433	—
Sweden ... ..	729,926	25,942	755,868	5,348
Denmark ... ..	96,053	523,014	619,067	4,842
Germany ... ..	—	222,694	222,694	904
Netherlands ... ..	144,274	1,569,137	1,713,411	29,792
Belgium ... ..	297,621	4,730,327	5,027,948	171,120
France ... ..	3,441,003	43,166,428	46,607,431	228,333
Spain (including Gibraltar)	4,126	412	4,538	—
Portugal ... ..	651	—	651	—
Switzerland ... ..	21,524	12,406	33,930	—
Italy ... ..	201,462	6,981,170	7,182,632	6,826
Austria and Hungary ...	—	1,402,116	1,402,116	—
Russia, European Ports...	10,732	46,587	57,319	123,334
Russia, and Siberia, by land frontier...	—	48,235	48,235	—
Russia, Amur Ports ...	—	12,809	12,809	—
Russia, Pacific Ports ...	685,405	6,170,818	6,856,223	4,302,219
Korea ... ..	127,167	2,053,232	2,180,395	282,706
Japan (including Formosa)	95,278,634	61,553,576	156,832,210	3,851,853
Philippine Islands ...	2,518,402	1,301,859	3,820,261	123,760
Canada ... ..	20,836,074	5,548,820	26,384,894	19,162
United States of America (including Hawaii) ...	78,636,259	116,269,741	194,906,000	1,722,542
Mexico and Central America (including Panama) ...	1,119	5,498	6,617	—
South America ... ..	14,234	246,274	260,508	—
Australia, New Zealand, etc.	736,596	343,202	1,079,798	7,624
South Africa (including Mauritius) ... ..	—	17,536	17,536	—
Other places ... ..	294,635	—	294,635	—
Total Value ...	\$355,651,759	\$352,958,736	\$708,610,495	\$15,351,579

## "The Light of Asia"

American kerosene exports in 1919 to China and Japan were 197,167,676 gallons compared with 56,160,209 gallons in 1918, a gain of 250 per cent. Japan in 1919 took from the United States 31,699,727 gallons of kerosene, against 16,219,296 gallons in 1918, an increase of 95 per cent. Larger shipments were also made to Australia and New Zealand and to the Philippines.

China's total imports from the United States last year amounted to \$105,000,000. Kerosene shipments made up \$21,031,979 of this, or about 20 per cent. Most of this was shipped by the Standard Oil Co. of N. Y., which with Vacuum Oil and Tide Water Oil Co. handles the greater part of the oil trade in China. China took 20 per cent. of the kerosene exports of United States last year, or a monthly average of 16,430,639 gallons, and Japan 3 per cent., a monthly rate of 2,641,644 gallons.

Kerosene and lubricating oil exports (in gallons) to China, Japan, Australia and New Zealand, and the Philippines for the last four years follows:—

	KEROSENE.			
	1919	1918	1917	1916
China ... ..	197,167,676	56,160,209	83,039,999	107,363,565
Japan ... ..	31,699,727	16,219,296	20,488,540	44,223,949
Australia and New Zealand...	20,605,430	17,391,792	19,469,397	32,828,385
Philippines ... ..	10,890,320	6,495,910	6,252,140	8,539,700
	LUBRICATING.			
	1919	1918	1917	1916
China ... ..	6,305,187	5,610,338	3,189,916	4,069,277
Japan ... ..	4,164,707	8,348,113	4,264,920	3,358,195
Australia and New Zealand...	9,789,101	12,065,726	6,721,428	10,350,643
Philippines ... ..	1,539,679	1,014,943	534,619	635,329

Kerosene shipments to the above countries increased during January, with the exception of those to China. Japan took 4,868,000 gallons, Australia and New Zealand 2,027,434 gallons, and China 14,983,607 gallons. Lubricating exports to China, Japan and the Philippines also increased considerably over the 1919 monthly averages.



# Engineering, Financial, Industrial and Commercial News

## RAILWAYS

**Japanese Government Railways.**—In the course of the reorganization of the Japanese government railways, the title of Imperial Government Railways has been changed to the Department of Railways and the former Traffic Department is now the Traffic Bureau. All traffic affairs of the lines are directed under the supervision of Mr. H. Motoda, minister of the Department of Railways; Mr. S. Ishimaru, vice-Minister; and Mr. S. Nakagawa, director of the Traffic Bureau.

### Receipts of Japanese Government Railways.

The total volume of freight carried by the Japanese government railways during April amounted to 5,073,695 tons and the number of passengers carried was 48,971,280. The receipts from freight and passengers totalled Y.11,797,084 and Y.23,580,534 respectively. Compared with the corresponding month of last year the receipts from freight and passengers represent an increase of Y.1,116,645 and of Y.8,210,595 respectively. The revenue per mile was Y.189.42, an increase of Y.47.50 as against the same month last year.

### South Manchurian Railway Co.'s Good Report.

Last year was a most successful one for the South Manchuria Railway Company. From 1915 to 1919 the working capital has been steadily increased, the profits shown being as follow:

Year.	Profit
1915	Y. 8,080,498
1916	10,107,607
1917	14,925,642
1918	22,193,171
1919	24,300,000

One of the causes of this increased profit was the increase in business immediately after the war. The results for 1919 are very satisfactory when it is remembered that salaries have been higher and that loss was caused by the soaring price of silver, the price of coal, and the non-working of the Chosen section of the railway.

The increase in salaries amounted to more than Y.20,000,000 per annum, and to meet this extra expense the Company decided to raise the rates, both for passengers and freight, one month after the increase in salaries. The rise in silver caused losses, both directly and indirectly to the extent of from Y.600,000 to Y.700,000. The losses on the sale of coal are estimated at several million yen. Japanese and Kailan coal were bought by the Company, and sold in Manchuria at a lower price, at a loss of Y.10 per ton. The loss from the Chosen section is estimated to be Y.800,000, whereas another Y.800,000 were spent in preventing the spread of disease.

**Japan's Railways Active.**—The business report of the Japanese Government Railways for May makes a better showing than that of the same month of the previous year. The freight and passenger service report shows a big gain in transportation. The total revenue for the month ended is Y.35,277,618 an increase of Y.9,327,240 for the same period last year. The figures of the passenger service department are given as Y.23,580,534, and the freight receipts totalling Y.11,697,064, as compared with the returns for the same period of the previous year, these figures show an increase

of Y.8,210,595 and Y.1,116,645 respectively. During the period, the state lines carried 11,342,888 more passengers and 140,163 tons of food stuff than in the same period of 1919.

**Japanese Railway Program.**—The Japanese government plans to build 6,400 miles of railroad in the next decade. Out of 8,200 miles of railroad in Japan, the government owns 6,200 miles. Proportioned to each 10,000 inhabitants Japan has 1½ miles of road against 24.7 in the United States, 8 in France, 5.9 in Germany, 5.2 in Austria and England and 3.2 in Italy.

**East Persian Railways.**—In the course of an interview with His Excellency Shaukat-ul-Mulk, governor of Seistan a representative of the *Daily Gazette* (Karachi) learned that the Quetta-Nushki railway has now been carried forward to Duzadab on the Persian frontier, about 30 miles south of the southwestern point of the Afghan frontier and about 120 miles south and slightly west of Nasratabad (or Seistan), the capital town of the governor's Province. His Excellency is also governor of the Province of Kainat, north of Seistan, and is thus in charge of the greater portion of the Afghan-Persian frontier. He is very optimistic as to the future of Persia and the effect of the Anglo-Persian agreement if the Persians themselves seize their opportunities. He is also convinced of the great possibilities of the extension of trade between India and East Persia as soon as the Nushki railway, which is at present used for purely military purposes, is made available for mercantile traffic. From the present terminus of the line there is a good motor road through Neh and Birjand to Meshed in the extreme north, and another road to Kerman, which is about 210 miles west-northwest of Duzadab. Asked as to the possibilities of railway development in East Persia, the governor pointed out the advantages of a line from Duzadab northward near the frontier, which would tap the fertile districts around Herat, the granary of Central Asia. Many schemes are being discussed and internal railway development is likely to receive early attention from the ministers.

**Persian Railway to the Caspian Sea.**—Official inquiry having been made by the American Embassy in London, as to whether any arrangements have been concluded, or are under consideration, with the Persian government regarding the construction of a railway across Persia from Mesopotamia to the Caspian Sea, the following reply has been returned on behalf of the British Foreign Office:

On January 10, the Persian Government granted to the Persian Railway (Syndicate Ltd.) an option for the construction and equipment of a railway from Khanikin to Teheran via Kermanshah and Hamadan, with a branch to Enzell on the Caspian Sea. The Persian Government has reserved the right to decide later whether the railway is to be constructed as a Persian State line or whether a concession shall be granted to the syndicate to build the line with a Persian Government guaranty on such terms as may be necessary and practicable. If the railway is built as a Persian State line, the capital necessary for the undertaking would be raised by the issue of Persian Government bonds secured by the necessary guaranties.

**Proposed North-South Railway, Australia.**—The construction of another transcontinental railway to link Darwin with the southern States is being seriously discussed, chiefly by interested people in South Australia. The distance between Oodnadatta and the Katherine River is 1,026 miles, and this is the route most strongly urged.

**Lung-hai Railway Loan Protest.**—The natives of Kansu and Shensi—residing in the Capital—recently held a meeting to discuss means for the immediate construction of the Lung-Chin-Yu-Hai Railway. They have addressed the following petition to the Peking government and the provincial authorities of Kansu and Shensi:—

"Hitherto it has been the policy of the financial administration of the Government to contract foreign loans for various purposes under the pretext of railway construction. For the construction of the Lung-hai Railway a sum of 120,000,000 francs and another sum of \$5,000,000 were borrowed from Belgian Syndicates; but in fact only a sum of £1,500,000 was expended for the construction work, while the rest was transferred to other accounts. It is reported that the present loan concluded from Belgium is a very big one, which if applied to the construction of the line will do great good to the nation. It is therefore requested that the central and provincial authorities will devise means to check the use of the proceeds of the loan. Kansu and Shensi are the most important provinces in the Northwest, where for centuries the Capital of the nation was fixed to exercise a powerful control all over the country. These provinces are rich with vast natural resources and products, but for the lack of facility of communications, the industry and commerce have not yet been well developed. During the past few years the people there suffered seriously from local bandits, and it is believed that after the construction of this line the military forces of these two provinces will be able to suppress them without much difficulty. It is unnecessary to dwell on the past blunders and errors committed by the government, but the people of the two provinces expect that this time the government will deal honestly with them by utilizing the proceeds of the present loan for construction purposes only. A mandate should be promulgated ordering that no matter how difficult the financial situation of the country may be the proceeds will not be applied to any other purposes, etc."

## SHIPPING

**Oil Ship On Fire.**—Some oil, which is supposed to have leaked from the str. *Juno*, took fire while the ship was in drydock at the Kiangnan Dock and Engineering Works, Shanghai, and for a time the vessel was in peril. The flames from the oil enveloped the port side of the *Juno*, and some cabins and a lifeboat took fire. Two of the shores holding the vessel in position were burnt and gave way, but the remainder held. This was fortunate as the ship is understood to have had munitions in her hold.

**New French Ships.**—Six steamers, each of 16,000 tons, and two of 4,000 tons are being built for the Franco-Indo-China route, according to the French Ministry of Marine.



## Keeping Far Eastern Trade Channels Open

The service which the Irving's Foreign Division provides for merchants and producers in the Orient covers the full range of business and personal requirements in international banking. To facilitate export and import operations and to supply the financial needs of individuals, the Foreign Division

Sells checks and makes cable transfers

Issues commercial credits against exports and imports

Collects clean and documentary drafts

Provides facilities for American credit inquiries

Offers counsel on market conditions in America

Supplies emergency aid in handling shipments

*And*—when sales are completed and shipments have been made, the Foreign Division purchases approved bills of exchange in dollars or in Far Eastern currencies, covering goods actually sold to responsible buyers.

# IRVING NATIONAL BANK

WOOLWORTH BUILDING, NEW YORK





**First of the Green Star Fleet.**—Laden to her hatches with general cargo for Japanese and Chinese ports, the new steel steamship *Arcturus*, the first vessel of the immense fleet controlled by the Green Star Steamship Corporation, sailed from Seattle on May 16. The company will operate two other ships now nearing completion, between Seattle and the Orient. These ships will be operated in conjunction with the fleet of eight shipping board vessels handled by this firm, Struthers & Dixon, insuring two sailings monthly, and possibly three.

**New Steamer for Fuller Co.'s Contracts.**—The fifth ship *Nemaha* built at the Carolina Shipyard has been launched from the yard at Wilmington, N.C. The steamship *City of Omaha*, the second ship accepted by the Emergency Fleet Corporation, has been allocated to the Green Star Line, and will be operated regularly between San Francisco, Yokohama, Kobe, Shanghai and Singapore.

**Yokohama Tonnage.**—According to figures published by the Yokohama harbor authorities, 347 vessels entered that port during April with a gross tonnage of 712,184 tons. The number leaving the port was 341, totalling 705,918 tons. The following is a detailed table issued by the shipping authorities:

Nationality	Entered	Tons	Cleared	Tons
Japanese	281	437,796	278	423,264
British	25	115,562	21	95,718
French	2	10,945	1	7,375
American	32	125,822	38	163,619
Russian	3	3,245	—	—
Dutch	2	7,768	2	7,768
Italian	1	4,267	1	4,267
Danish	1	4,222	—	—
Chinese	1	2,657	—	—

**Japanese Steamships on Service.**—According to investigations by the Tokyo ministry of communications, the total number of Japanese merchantmen of 1,000 tons and above on various routes at the end of April was 765, with an aggregate tonnage of 2,565,915, showing a decline of 5 in the number of ships, but an increase of 32,554 tons as against the preceding month. Of the 765 ships, 406, with 827,784 tons gross, were on the coasting and near sea routes; and 335, with 1,676,866 tons gross, on ocean routes; 22, with 57,986 tons gross, were under repairs, while those aground numbered two with an aggregate tonnage of 3,279. Following are the official returns of steamer movements at the end of April:

#### NEAR-SEA AND COASTING.

Route	No.	Tonnage
Coasting	166	315,507
Near-sea routes from Japan	227	479,587
Between near-sea foreign ports	1	2,351
On the Yangtze	12	30,345
<b>Total</b>	<b>406</b>	<b>827,784</b>

#### OCEAN ROUTES:

Route	No.	Tonnage
Japan-Pacific coast of North America	31	223,624
Japan-New York	16	81,765
Hongkong-Japan-North America	17	148,560
Japan-Australia	19	92,914
Japan-East coast of South America	7	46,107
In the South Seas	36	116,854
Japan-Straits Settlements-South Seas	16	47,109
Japan-India	43	170,535
India-Mediterranean	4	17,684
In the Mediterranean	1	3,756
Japan-West coast of South America	3	24,368
Japan-South Seas	6	12,815
Japan-Calcutta-New York	2	8,011
Japan-Mediterranean	4	15,113
<b>Total</b>	<b>335</b>	<b>1,676,866</b>

Under repairs	22	57,986
Aground	2	3,279

**Dollar Steamer Fired On.**—About 100 Chinese soldiers boarded the American steamer *Robert Dollar II*, demanding \$2,000 from the officers, while she was coming down the Yangtze from Chungking to Hankow. They placed guards over the ship's officers to prevent them from going ashore, but fortunately the officers were in sight of the American gunboat *Palos*, and signalled to her for help. She went to the rescue at once and the soldiers were given two minutes to clear off, which they were quick to do. Passing Kweifu soldiers were seen coming out to board the ship, so she did not stop. The soldiers opened fire, but fortunately no one was hurt. Unsuccessful attempts have also been made to board the Asiatic Petroleum Co.'s steamer *Anlan*. The *Robert Dollar II* cracked her shaft in going up the rapids in the upper Yangtze gorges.

**Loss of the "Fau Sang."**—The news has reached Hongkong that the steamer *Fau Sang*, of which Messrs. Jardine, Matheson & Co. are the agents, ran ashore in the Hainan Straits on her way to Hongkong from Haiphong on May 26. The *Fau Sang* was carrying a cargo of 2,000 tons of coal for Hongkong.

H.M.S. *Fame*, which left for the Hainan Straits on May 27, reports that the *Fau Sang* is a total wreck, practically submerged, and all salvage is out of the question. Chinese fishermen looted the steamer before she submerged.

**Galveston, China Service.**—Inauguration of a new steamship line between Galveston and ports of China and Japan by way of the Panama Canal is announced. The new line, which will be known as the Gulf-Oriental, is expected to begin regular sailings about September 1. Shipping Board vessels will be allocated for the new service.

**First Direct Cargo from Orient in 40 Years.**—For the first time in forty years a cargo has been received in Philadelphia direct from Chinese and Japanese ports with the arrival of the steamer *West Cajott*, a United States shipping board vessel. The service through chartering the *West Cajott*, a 3,739-ton vessel, was mentioned by Director Sproule, of wharves, docks and ferries, as another example of the development of the port of Philadelphia.

**Direct Service, Philadelphia to Orient Planned.**—Arrangements have been perfected by the International Freight Corporation to give Philadelphia a direct freight service to China and Japan. The new steamer *Mercer* now building at Bristol will be the pioneer vessel of the new line to the Orient, and the corporation has secured a wharf at Girard Point for its Philadelphia terminus.

**Admiral Line Seattle-Dairen Service.**—Extending its operations in the Far East The Admiral Line of the Pacific Steamship Company has completed arrangements for regular service by vessels of its Shipping Board fleets between Seattle and Dairen, Manchuria, which is one of the most important oil shipping centres of the Orient as well as an exporter of beans, maize and other products. Sailings will be made monthly, the vessels calling at Yokohama, Kobe, Shanghai, Hongkong and Manila. An agent of the company will be stationed at Dairen—probably Mr. Matheson, who has served the company at Vladivostok.

**New Seattle-Java Line.**—Establishing a new line between Seattle and Java the steamship *Bondowoso* sailed from the western port for the East Indies May 7 with a full cargo of flour. It is expected that several more steamers will be placed on this run in the near future. It is possible that the *Bondowoso* will call at Japanese and Chinese ports before going to the East Indies.

**German Line for the Far East.**—The *Berliner Tageblatt* announces that the Ostasiatische Compagnie Aktiengesellschaft of Hamburg, and the Schwedisch Ostasiatische Dampfer Compagnie are establishing an amalgamated steamship service between Copenhagen and the Far East via Gothenburg, Christiania, and Hamburg.

**Pacific Steamship Co.'s First Rubber Route.**—The steamer *West Hartland* brought to Seattle the first cargo of rubber since the Pacific Steamship Company established its line between Seattle and Singapore. The company has established an office at Singapore in charge of E. F. Townsend.

**Japanese Line from Singapore to U.S.**—The Osaka Shosen Kaisha has inaugurated a long distance steamship service between Singapore and New York, via Hongkong, Shanghai, Tsingtao, Japan, San Francisco and Cuba. The *Hague Maru*, the first vessel of the new line, has sailed from Singapore with a cargo of about 4,000 tons of rice for Japan. The principal object of the new line is to give facilities for the transportation of wheat straw, eggs, skins, hides and other goods exported from Tsingtao to America.

## SHIPBUILDING

**Japan's Shipyards and Output.**—According to an investigation made by the Osaka Shosen Kaisha, shipyards in Japan with a capacity of over 2,000 tons are:

Name of Shipyard	Number of Ships	Capacity Tons
Osaka Iron Works (Osaka)	7	66,000
" " " (Innoshima)	7	50,000
" " " (Bingo)	1	5,000
Mitsubishi Dock (Nagasaki)	10	114,000
" " " (Kobe)	3	20,000
Kawasaki Dockyard	6	73,000
Yokohama	5	53,000
Haraga Dockyard	6	38,000
Uchida Shipyard	3	21,000
Ishikawajima Shipyard	4	11,000
Osaka Ceramic Co.'s Shipyard	3	15,000
Hakodate Shipyard	3	7,500
Fukagawa	3	2,200
Fujima	2	4,500
Aizawa	3	6,680
Nitta	3	15,000
Matsuo Iron Works	2	8,500
Asano Shipyard	10	88,000
Mitsui Bussan (M.B.K.) Shipyard	2	20,000
Teikoku Kisen (Harima) of Suzuki	4	40,000
" " (Toba)	2	10,000
Fujinagata Shipyard (Head Works)	2	4,000
" " (Branch Works)	4	12,500
Ono Iron Works	4	8,500
Harada Shipyard	2	6,500
<b>Total</b>	<b>101</b>	<b>699,880</b>

The following is the estimated output of yards during the current year:—

Name	Vessels	Tons
Kawasaki Dockyard	20	119,840
Osaka Iron Works (Osaka)	10	47,500
" " " (Innoshima)	8	45,000
Bingo Dockyard	3	5,800
Mitsubishi Dockyard (Nagasaki)	9	66,616
" " " (Kobe)	5	20,150
Yokohama Dockyard	14	82,000
Asano Dockyard	15	82,500
Uraga	16	64,720
Ishikawajima Dockyard	4	15,200
Teikoku Kisen	8	46,966
Uchida Dockyard	7	42,900
Mitsui (Uno) Dockyard	5	22,900
Fujinagata Dockyard	5	12,900
Hakodate	3	5,700
Aizawa	4	4,952
Matsuo Iron Works	1	2,030



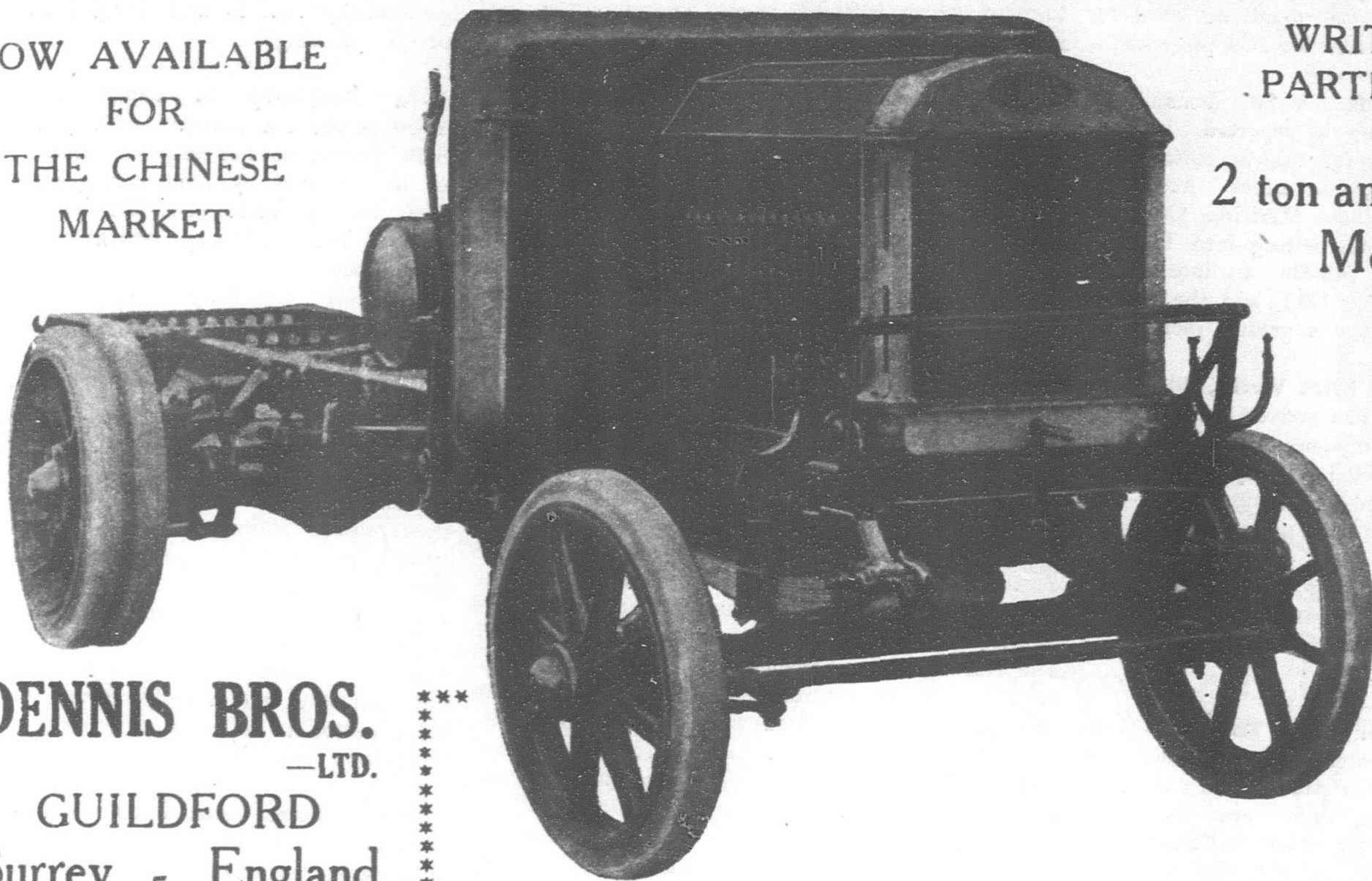
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Name	Vessels	Tons
Tochigi Dockyard	2	4,000
Ono Ironworks	2	2,620
Mochizuki Dockyard...	1	1,000
Hashimoto	1	2,450
Shinoki	2	3,484
Nitta	2	7,600
Harada	2	3,400
Osaka	1	2,500
Okamoto	1	1,300

## INDUSTRIAL

**Market in New Zealand for Scoop Conveyors.**—There is said to be a critical shortage of coal in New Zealand at the present time, and a ready market could be found for any device which would help increase the coal output, such as the scoop conveyor. Coal conveyors enter New Zealand subject to a 30 per cent. duty from all countries except the United Kingdom and possessions, from which a duty of 20 per cent. is paid, and a 1 per cent war tax collected on all imports.

**Agricultural Machinery in Formosa.**—American Consul H. B. Hitchcock, Taihoku, Taiwan, reports that the sugar companies in Formosa are suffering acutely from a labor shortage on the plantations, and that, while some are endeavoring to solve the difficulty by importing Chinese coolie labor from Foochow, others are turning to the use of modern agricultural machinery. As the proposed industrial development of the island will eventually further aggravate the shortage of labor for agricultural purposes, it would seem an opportune moment for manufacturers of agricultural machinery to bring their products to the attention of the sugar companies operating in Formosa.

**Japan's Silk Exports.**—The silk shipments from Yokohama during the seven months from July 1, 1919 to January 31, 1920 totalled 184,244 bales, an increase of 27,609 bales on the 156,635 bales for the corresponding period of the previous year. Some 4,365 bales went to European countries, and the remaining 179,879 bales to the United States, as against 18,990 and 137,654 bales respectively for the corresponding period of the previous year, the shipments to Europe showing a decline of 14,625 bales, while the shipments to the United States showed a gain of 42,234 bales compared with the previous figures. The decrease in the shipments to Europe is partly accounted for by the paralyzed condition of the silk industry in France and Italy. The exchange situation has also hindered the purchase of Japanese raw silk by European silk manufacturers. The exports to the United States, which rose remarkably after the early part of July, were due to the sudden buoyancy on the American market, where the demand for silk increased at an almost unprecedented rate and continued to favour Japanese exports for the rest of the year.

**New Cotton Mill, Madras.**—The formation of a company to build and operate a cotton mill at Coimbatore, Madras Presidency, has been announced. The company proposes to establish a spinning and weaving mill at Tirupur, in the district of Coimbatore, with 20,000 spindles and 200 looms. Coimbatore is one of the principal cotton-growing districts of India, and the mill to be established will be close to the source of raw materials. There are several cotton gins and presses at Tirupur at present but no weaving mills. The new company, known as the Tirupur Spinning & Weaving Co. (Ltd.), is to be capitalized at 1,500,000 rupees (\$486,600), with 15,000 shares at 100 rupees (\$32.44) each.

**Knitting Factories, China.**—The manufacture of underwear and hosiery is a growing industry in China. Canton, Shanghai, Hankow, Swatow, Chungking, Peking, Tientsin, Harbin, and other cities are producing these articles in factories that are mostly small and poorly supplied with machinery. The Pioneer Knitting Mill in Shanghai is a modern establishment equipped to knit both cotton and silk hosiery. When all the American machinery ordered has been received, this will be the largest hosiery mill in China, with a daily output of 1,000 dozen. Its products are not only sold locally but exported to other parts of the Far East. The Li Kiang Knitting Factory in Swatow, using machinery operated by steam, had an output of 54,000 dozen pairs of socks in 1917. The manufacture of ribbed underwear in Swatow has materially reduced the sale of cheaper goods imported from Great Britain and Japan.

These Chinese industries are at the very beginning of their development along modern lines, and the vast population of the republic must continue for many years to depend chiefly upon many lines of foreign manufacture. American underwear and hosiery mills, with their large-scale production, will find considerable business in China if they can keep selling costs low enough to market their goods at prices within reach of the native middle class that is most interested in purchasing such articles.

**New Cotton Mill, Karachi.**—The prospectus is issued of the Sind United Mills Co. (Ltd.), with a capital of 80 lakhs of rupees, or \$2,595,500. The registered office of the company is at No. 3 Forbes Street, Bombay. It is proposed, according to the prospectus, to erect one mill in Bombay and one in or near Karachi, at both of which spinning, weaving, dyeing, painting, bleaching, ginning, and pressing cotton will be carried on.



**Gas Producers in Tientsin.**—A good market could be developed in the Tientsin district for gas producers using bituminous coal, as this fuel is mined in considerable quantities in the region, and can be obtained at moderate prices near the mines. The difficulties of transportation, however, result in an increase in prices for coal at points at any distance. There is no lignite, wood, or wood refuse in this territory available for fuel purposes.

**Belting Market in China.**—A fair demand for leather transmission belting is reported in the Tientsin consular district for use in cotton and flour mills, machine shops, and mines. According to the returns of the Chinese Maritime Customs, the importations of machine belting into Tientsin during 1918 amounted to \$45,316, an increase of \$22,629 over the figures for 1917, and the figures for 1919 will doubtless show a greater increase.

**New Cement, Glass and Brick Works, Singapore.**—A portion of the plant has arrived for the Portland cement factory in Singapore, the building for which has been completed. Prospecting operations have been concluded preliminary to the establishment of Malaya's first glass factory. An expert has been engaged from England to open the factory, which has strong backing and may develop into one of the largest concerns of the country. Two modern brick factories are also under way.

**Far Eastern Market for Farm Tractors.**—There are certain factors that enter into the question of the market possibilities for tractors in all Far Eastern countries. Among these are the comparatively small areas of the individual farms, the limited possible purchasing power of the individual farmers, the high cost of gasoline and other fuels, the nature of the soil to which machinery must frequently be adapted by modification, and, in some countries, the ignorance of those who would have to operate the machines. On the other hand, the shortage of food and the scarcity and high cost of labor have induced many of the Government officials and large estate owners to attempt to solve these problems by the introduction of modern methods and implements.

**Japanese Lumber Companies in the Philippine Islands.**—Several groups of Osaka capitalists are planning to establish lumber companies in the Philippine Islands in order to develop the forest products that are now in demand in the world markets. One Japanese company has already obtained permission from the Philippine Government to cut and saw lumber on a strip of public land 7 miles long and undetermined width in and around Puerto Galera, Mindanao, and are employing about 80 Filipinos and Japanese to prepare the wood for exporting, principally to Japan and China, where it is used for making furniture and schooners.

**Tobacco Manufacture, Hongkong.**—There are three lines of tobacco manufacture in the colony. One is a large cigarette factory, started several years ago by Chinese capitalists from Canton, and is known as the Canton Nanyang Brothers Tobacco Co. (Ltd.). The second factor is a large cigar factory which was started several years before the war as a branch of a Manila (P. I.) factory, known as the Oriente Cigar Factory. Like the Manila concern, it was owned more or less completely by German interests; with the inception of the war it was taken over by the Hongkong government for liquidation. It has been operated as a going concern by the liquidators ever since. Very little of the product of this factory is used locally. The third principal factor is the industry of the native tobacco dealers, in which the raw leaf is imported and manufactured mostly into fine-cut tobacco for use in native Chinese pipes, especially the small nickel and brass water pipes.

**American Furnaces for Canton Arsenal.**—An agent has been despatched to the United States to buy furnaces and other material in connection with the expansion of Canton Arsenal.

**Cream Separators, Australia.**—There is an increasing demand in Australia for cream separators, of which \$400,000 worth are imported annually. Both hand and power machines are in use, the former having a capacity of from 8 to 70 gallons per hour and the latter a capacity of from 25 to 150 gallons.

**Wire and Nail Factory, Australia.**—A factory in Newcastle, Australia, is increasing its facilities for the production of various kinds of wire and nails. It has on output of 200 tons of plain wire, 50 tons of nails, and 25 tons of barbed wire per day, and expects soon to be able to meet the demands of Australia.

**New Japanese Company Starts with Extensive Theatre Chain.**—The International Motion Picture Company, Ltd., of Kyobashi, Tokio, Japan, has recently organized with a capital of Yen 10,000,000. The president is Bunji Okada, a member of the house of peers and former superintendent-general of the metropolitan police board. The board of directors include Kisaburo Kobayashi and Shinji Sekiya, who will be managing director. The Natural Color Cinematograph Company, Ltd., of Tokio, which controls over 100 picture theatres in Japan, is amalgamated with this new company, assuring it all immediate market for its product. The new company announces its intention of erecting new theatres throughout the empire.

**U.S. Mints Coins for Indo-China.**—T. W. H. Shanahan, superintendent of the branch United States Mint, at San Francisco, has received instructions from Washington to make 29,000,000 pieces of small coins for the French Government, to increase the circulation of coin in its Chinese possessions. A smaller percentage of silver than usual is being used in the new silver coins to remove the temptation to hide or melt them because of the existing high price of the bullion value of silver. In the American 10-cent piece, nine parts of silver are used to one part of copper. In the new silver coins for the French government there will be four parts of silver to six parts of copper. Mr. Shanahan has been ordered to coin 15,000,000 1-cent copper pieces, 10,000,000 10-cent silver pieces and 4,000,000 20-cent silver pieces. It will take the mint two months to fill this order, the employees having been put back on an eight-hour basis. Heretofore the San Francisco mint has only made coins for one country in the Orient, and that is the United States possession of the Philippines.

**Chinese to Make Newsprint Paper.**—It has been reported that the Min Yuen Paper Factory of Canton, which has been marking a good quality of wrapping paper, is arranging to manufacture white newsprint paper to meet the demand of local newspapers. The number of employees, which now exceeds 100, will be increased when the recently ordered new machinery is installed.

**Glass and Pottery Works at Foochow.**—There are eight native glass factories in Foochow which make lamp chimneys for the local trade. The average capital of each is 1,000 dollars Mexican, and since the supply of European lamp chimneys has been cut off they have all made good profit. No foreign machinery is used, and attempts to manufacture window glass have failed from lack of skilled labor. There are also a number of pottery works engaged in the manufacture of Chinese rice bowls, spoons, cups, and dishes, made by native methods. The output is large, but the product is remarkable for its cheapness rather than for quality.

**Paper Making and Printing in Foochow.**—Although there are no paper mills in the city of Foochow, there are more than 1,000 native mills in the interior of the consular district which manufacture paper from bamboo fiber by the same methods that their ancestors used. There are several small printing works in the city operated by natives and doing both Chinese and foreign printing.

**Tea Machinery in Japan.**—Conditions have arisen in the tea industry of Japan whereby the small grower is not satisfied to laboriously care for his product by hand manipulation and has been quick to seize upon the more recent inventions of tea machinery, reducing the amount of hand labor.

**Japan's Match Production Curtailed.**—Owing to the slump in export business, the match industry of Japan is curtailing production. Many match manufacturers in Kansai districts, with Kobe and Osaka as centre, have already announced compression of output. The Teikoku match company of Kobe, which is run by the Suzuki firm and possesses eleven factories in Kobe, Osaka and many other places in Hyogo prefecture, have temporarily suspended operations in view of the slack trade and the fast accumulation of stocks. The Japan safety match company has also decided to minimize the production by partially stopping operation until the end of July. Other match concerns are expected to follow suit in order to avoid over production and further depreciation of prices.

**Chinese Start Paint Factory.**—The Bright Star Company, a Chinese paint manufacturing concern, has opened an office in Hankow and works in Changsha. The company plans to manufacture paints and colors by using the zinc ores of Hunan. Orders have been placed with American firms for up-to-date machinery for the manufacture of paints.

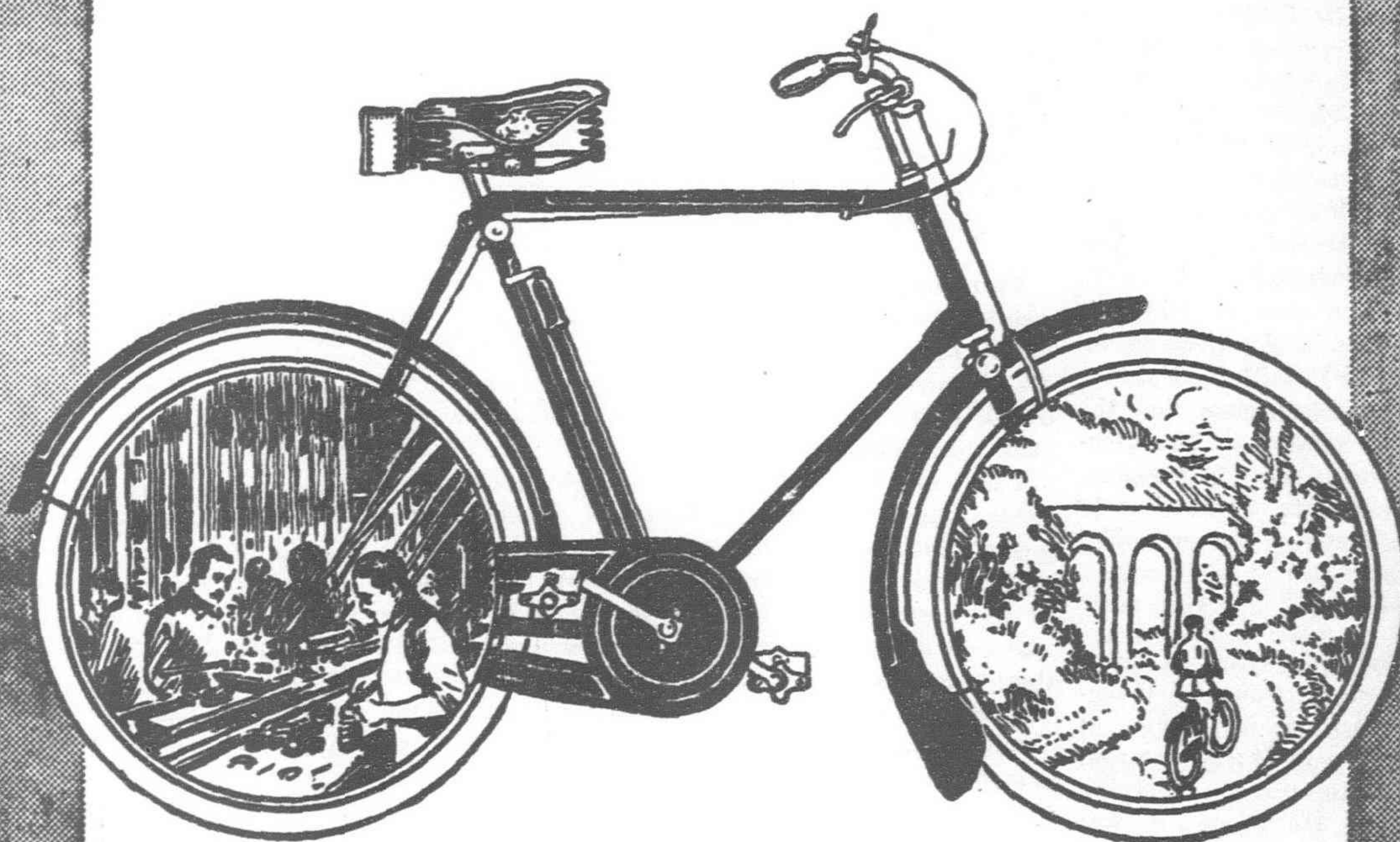
**Flour Milling, Hankow.**—There are already flour mills in Hankow which are reasonably prosperous, and others are under contemplation. The production of wheat has increased marvelously during recent years. Wheat is one of the principal articles of export from Hankow, the volume of the trade having increased from 59,373 bushels in 1914 to 5,214,087 bushels in 1918. This development of wheat growing opens a large opportunity for the growth of the flour-milling industry, and with it for the sale of flour-milling machinery.

**Reorganization of Japanese Silk Manufacturing Concerns.**—The formation of a big raw silk company with a capitalization of \$4,985,000 is reported from Nagoya. This company proposes to absorb a number of small companies, and in order to encourage the local silk industry, to apply to the Government for the establishment at Nagoya of a silk inspection office. Another reorganization in process is that of the Katakura Kumi, a filature in Shinano Province, which will become a joint stock company, capitalized at \$24,925,000. The officials are attempting to overcome labor difficulties by allotting shares to all its women operatives, a new departure in Japanese industrial circles, which, if successful, will doubtless be followed by other concerns.

**American Paint Factory in Shanghai.**—Plans for the establishment of a paint factory in Shanghai by an American firm were recently announced. This company will specialize in underwater, barnacle-proof paints and intends to make a campaign in the Far East for their dissemination.

**Machines to Crush and Roll Silver Wanted in Peking.**—An inquiry has been received by Trade Commissioner Lynn W. Meekins, at Peking, for machines to crush silver and roll it into thin sheets.





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## AVIATION

**Aviation in New Zealand.**—The New Zealand Flying School, situated at Kohimarama, Auckland, is a fair-sized hydroplane school, with two hydroplanes and four flying boats. These machines are equipped with 100 and 125 horsepower Hall-Scott and Curtiss engines, imported from the United States and Canada. The machines are made in the workshops connected with the school. During the war this school maintained a class of about 60 pupils, studying for the Royal Air Club aviation examination. The fee for the course of instruction was \$608. Now that the war is over, classes are held only during the summer season, from November to March. The establishment of an aeroplane branch in connection with the present school is being considered. There is also a school at Christchurch, known as the Canterbury Aviation Co. (Ltd.), and equipped with six Caudron aeroplanes containing 60 to 100 horsepower Anzoni engines. The conditions of instruction are similar to those in the hydroplane school. A new concern, which is to be connected with the Larkin Sopworth Aviation Co. of Australasia (Ltd.), will have headquarters in Auckland, with aerodromes in the main centres for commercial aviation. The company proposes to sell machines, carry passengers, and undertake commercial flights, and also to establish passenger service between the principal cities.

**Hongkong Regulations Restrict Flying.**—Captain Ricou and his aviators tried to come to Hongkong on June 2 with the machines for service at Repulse Bay, but had to return to Macao because, owing to the restrictions with regard to flying in the immediate vicinity of Hongkong, it was too dangerous to approach the port in the mist which prevailed. One of the local regulations requires that aviators must not fly at a greater height than 150-ft. Flying so low courted the possibility of disaster. It would have been possible to have brought the machines to their moorings had it been permissible to fly at a greater height above the shipping.

## RIVER AND HARBOR IMPROVEMENTS

**Yangtze Conservancy.**—A conservancy plan for the Yangtze river in the province of Hupeh has been introduced into the Provincial Assembly. The scheme is designed so to deepen the Yangtze as to make it navigable throughout the entire year.

**Fusan to be Huge Harbor.**—The construction of the new harbor extensions at Fusan is now well under way. This port is destined to be the most easterly terminal of the entire system of Asiatic and European railroads. The present harbor facilities provided by the works already completed have been found inadequate to meet the rapidly growing trade of the port, which has trebled in volume in the last ten years, and now amounts annually to 2,000,000 tons of freight valued at Y.150,000,000. The plan is to build a breakwater 1,700 yards long and extend the two existing piers by 800 yards, reclaim 27,500 *tsubo* of land, and dredge 220,000 *tsubo* to a depth of 24-ft. It is estimated that the work will cost over Y.9,000,000 and take six years for completion.

**Ferry Wharf, Prai.**—Negotiations are in progress for the Federated Malay States Railways to construct a dock at Prai, province Wellesley, just opposite Penang, and take over the ferry service between province Wellesley and Penang.

**Murray River Conservation Scheme.**—Work is shortly to commence on the construction of the Upper Murray weir at a point 6 miles above Albury, New South Wales, according to a recent issue of the Industrial Australian. Government towns are to be established by New South Wales and Victoria (the Murray River forming the boundary between these two States). The Murray dam will, when completed, be the fifth largest conservation of water in the world, impounding 1,000,000 acre-feet of water and the building of it is estimated to occupy from six to seven years.

The existing Victorian railway runs to within 3 miles of the site, but the line at Albury is the nearest on the New South Wales side. It was at first proposed to build a line of railway direct to the Hawkes-view site, but inquiry by experts developed that a service of motor lorries would better serve the needs of the department for the conveyance of material. For this purpose a first-class road is to be built, leaving the main Sydney road about 4 miles from Albury.

**Port Improvements, Nikolaevsk.**—The work of reconstructing the port of Nikolaevsk, Amur Province, Siberia, has once more been taken in hand. Two floating cranes with a hoisting power of 40 to 100 tons, and an ice breaker have been brought over from Vladivostok.

The inner basin, within which eight steamers of 3,000 tons each will be able to lie, is to be completed during the year. It is greatly desired that a railway should be built from Nikolaevsk to De Castries Bay, in view of the fact that the latter port is always open for navigation. If this were done, the entire catch of fish from Kamchatka would go to Nikolaevsk and not to Vladivostok. Another result would be the development of an important traffic in coal with Sakhalin.

The traffic on the Amur is considerable, but there is an insufficiency of ships. The transit business in soya beans via Harbin to Japan is very brisk, and for the first time 5,000 tons of wheat also has been shipped to Yokohama. Over 300 Japanese vessels, of 300 to 1,500 tons, have come in with cargo destined for the Japanese army in Siberia. The boat service on the Amur is supplied by the Amur Shipping Co. and also by some steamers belonging to the Sormovo Works. The Volunteer Fleet also has provided some ships for river traffic.

All the territory bordering on the river is suffering from a great scarcity of goods.

## ELECTRIC LIGHT AND POWER

**Extension of High Tension Transmission in Japan.**—According to Commercial Attache James F. Abbott, Tokyo, the proposed extension of hydroelectric projects in Japan will involve the building of about 1,000 miles of high tension transmission lines within the next two years, the most of which will probably be of the steel-tower type.

**Aluminium a Substitute for Copper in Cables.**—Aluminium is being considered by the Japanese hydroelectric plants to replace copper in their heavy transmission cables. Copper has been used exclusively for this purpose heretofore, but even with a 25 per cent. duty, aluminium can compete successfully on the basis of price.

**Shanghai Tramways.**—During May the Shanghai Tramways (Foreign Settlement) carried 9,482,294 passengers. The loss sustained by currency depreciation during the five months ended May 31, 1920, was \$246,563 or 27 per cent. of the receipts, as against \$197,356 and 25.66 per cent. for the same period last year.

**Higher Tokyo Tram Fares.**—It has been decided to raise the Tokyo tram fares from 10 sen to 15 sen for return tickets and from Y.2.30 to Y.3.50 for commutation tickets good for 50 rides. The new rates come into effect, July 1. The Electric Bureau estimates that the raise in rates will increase the annual income by about Y.8,000,000, which will be devoted to the improvement of the service, including the better treatment of employees.

**Small Plants Wanted at Wuchow.**—The owner of one of the largest stores in Wuchow has installed his own machinery to provide electric light, and he claims maintain 60 lamps of 16-candle power each at a lower cost than he would have to pay the local electric light Company. Certain stores have engaged in a dispute with the latter Company, and they propose to cease using its current. This is opening up a market for small electric light plants.

**Japanese Electric Machinery Exports.**—According to a report by the Japanese ministry of communications, the value of electrical gear and material exported during the year 1919 totalled Y.16,709,000, a decrease of Y.3,167,000 as against the previous year. The decline is chiefly accounted for by the fact that "up to 1918 exports to Russia of copper wire amounted to an enormous sum, but since last year export of the same to that country has almost been suspended due to the disturbed condition there." The chief destinations of Japanese electric appliances are China, Russia, South Sea Islands, Siam and India. Again, the value of such goods exported during the two months of January and February stood at Y.2,383,000, representing a decrease of Y.643,000 as against the same period last year. Particulars:

	Jan.-Feb. 1920	Jan.-Feb. 1919
	Yen	Yen
Copper wire .. .. .	415,000	242,000
Insulated wire .. .. .	1,030,000	1,649,000
Electrical gear .. .. .	528,000	781,000
Telephones .. .. .	259,000	39,000
Bulbs .. .. .	150,000	314,000

**Street Railway for Lahore, India.**—According to a report received from the American consul, E. Verne Richardson, at Karachi, India, the municipal committee of the city of Lahore, capital of the Punjab, has decided that the installation of a system of trams to serve the city and its suburbs should be undertaken by a private company rather than by the municipality and that it has decided to invite applications for "any system or type of conveyance." Inquiries should be addressed to the Municipal Commissioner, Lahore, Punjab, India.

## PERSONAL

**Mr. F. S. Unwin Retires.**—Mr. F. S. Unwin, Statistical Secretary to the Chinese Maritime Customs, who was formerly Commissioner at Ningpo, Chinkiang, Ichang, Soochow, Chefoo and Shanghai, has retired. He left Shanghai for home on May 30.

**Well-Deserved Promotion.**—Sir John Bucknill, Chief Justice of the Straits Settlements, has accepted the post of Chief Justice of the Bihar and Orissa High Court at Patna. He leaves for India sometime in October. Sir Aubrey Goodman, Chief Judicial Commissioner F.M.S., is likely to succeed him if his health continues to improve.



## FINANCIAL

**Would Re-Open German-Asiatic Bank.**—It is understood that, in connection with other efforts to resume German operations in China, representatives of Berlin financial interests are now negotiating with Peking officials for the purpose of re-opening the German-Asiatic Bank. The name of former premier Hsiung Hsi-ling is mentioned as one of the principal Chinese intermediaries.

**Gold Seizure at Rangoon.**—The Customs authorities at Rangoon, on April 29, made a large seizure of gold on board the str. *Hung Moh*, which arrived from China and the Straits. The money was found in boxes in a tank containing six feet of water in the fore peak of the vessel. The full amount was at first unknown as the water was being pumped out and the boxes removed as they were disclosed. By the following day £15,000 in gold, American dollars and sovereigns, had been counted.

**Japanese Postal Savings Record.**—A report issued by the Japanese ministry of communications states that between May 1 and 24 deposits at the Japanese postal savings banks established a new record. The total deposits were Yen 25,520,000, the depositors numbering 220,000. Compared with the same period of 1919, the increase amounted to Yen 11,030,000.

**Shanghai Settlement Revenue.**—The revenue of the International Settlement of Shanghai for the first four months of the present year amounted to Tls. 1,406,347.14, an increase over the same period of last year of Tls. 371,354.19, according to the report of Mr. E. L. Allen, Commissioner of Revenue.

**Gold Coins Increase and Silver Decrease.**—According to the result of investigations made by the Japanese department of finance, the currency at the end of April aggregated Yen 60,000,000 in gold, Yen 126,000,000 in silver, Yen 13,000,000 in nickel, Yen 5,000,000 in copper, or Yen 200,000,000 in hard money. The small-value paper money aggregated Yen 162,000,000, the convertible notes of the Bank of Japan Yen 1,300,000, the total, including the Chosen and Formosa Bank notes, being Yen 1,600,000,000. As compared with the amounts for the corresponding period of the preceding year, the present returns show an increase of Yen 300,000 in gold, Yen 110,000 in nickel, and Yen 210,000 in copper, whereas silver coins show a decrease of Yen 750,000. The decrease of silver coins is attributed to their withdrawal by the authorities in view of the continuous rise of silver quotations.

**Tokyo Clearing House Returns.**—Bills cleared at the Tokyo Clearing House during the month of May totalled 865,406, valued at Yen 2,922,031,397. Compared with the same month of last year, the figures show a decrease of 19,658 in the number of bills, but an increase of Yen 15,893,539 in value. As compared with the preceding month a decrease of 63,995 was observed in the number and of Yen 246,354,785 in value.

Bills dishonoured in May numbered 58 involving 56 persons to the amount of Yen 98,258, a decrease of 15 in number and Yen 70,381 in amount as compared with the preceding month.

**Chinese 6 Per Cent. Loan.**—The thirteenth coupon of the 6 per cent. National Loan of the first year of the Republic fell due on June 1. In Nanking, Hankow and Kiangsi, the coupons were cashed only by the offices of the Bank of China, but in Shanghai and Peking, both the offices of the Bank of China and the Bank of Communications cashed these coupons.

**Successful Sino-Japanese Bank.**—The Kanan Bank, a Sino-Japanese enterprise, is doing a prosperous business with South China, India and the South Sea Islands. Owing to the fact that it is operated by both Japanese and Chinese, its Chinese business has not been hampered by the anti-Japanese boycott.

A new branch has recently been opened in Saigon and another is being opened in Haiphong.

## MISCELLANEOUS

**Invention Cuts Japanese Printing Costs.**—The cost and labor in Japanese printing is said to be reduced to about one-third of the present figures by the recent invention of a Japanese monotypewriter. The inventor is Mr. Kyotaro Sugimoto, who adapted the western typewriter to Japanese purposes and whose machine is now in general use in Japan.

**Soldiers Steal Mint Machinery.**—Kweichow soldiers have raided Chungking, Szechwan, and carried away the mint machinery. They threaten to return and burn and loot the city.

**Chenchow Camphor Company Fails.**—While there are good stands of camphor trees in Hunan, offering a promising field for investment and development, ancient superstition has proved the ruin of a company recently formed at Chenchow by local gentry and a few of the militarists now in physical possession of a large part of the province. Crude methods waste the larger part of the available product. The chief market for Hunan camphor is Canton.

**Paper Trade, China.**—Imports of paper of all kinds and from all sources into Hankow, China, are valued at about \$1,000,000 annually. In 1917 and 1918 the trade was almost equally divided between foreign imports and imports from other parts of China. The importation of paper into Hankow will henceforth meet with considerable competition. There is a small up-to-date plant in Hankow owned and operated by the central Government. It is equipped with American machinery and produces about 82,000 reams annually. In other parts of China are almost innumerable native mills located near the raw products from which the paper is manufactured. There are also a number of other modern mills besides the one in Hankow. Probably almost every city of any consequence in China has at least one small native plant making an inferior quality of paper, but in quantities which go far to meet local requirements in certain lines.

The total value of the imports of foreign-made paper into Tientsin, China, in 1918 was \$1,493,737, according to the maritime customs.

The paper used is generally of low grade and comes from Japan and Europe. The European paper originates in Sweden, Norway and Denmark, but is imported mostly through British houses, which in turn sell to the Chinese paper dealers for local consumption and for shipment into the interior. This paper comes to Tientsin in bales of 12 reams, 500 sheets to the ream, the most common size being 31 by 43 inches. The bale is wrapped in canvas and battened at the ends.

Foreign-made wrapping paper is used to some extent, but the domestic product serves the bulk of the trade. There is a fair demand for European and American cover papers. The sales of writing paper are confined mostly to the foreign communities in Tientsin and Peking, and the demand is largely supplied through British houses whose representatives call on the stationery shops at regular intervals. There is a good trade in straw-board, but it is supplied almost entirely by Japan.

**Phosphate for Japan.**—The *Oregon* (Portland) *Journal* notes that a shipment of 35,000 tons of phosphate rock from Paris, Idaho, to Japan has been arranged for, the cargoes to go from Portland. It says this means the capacity of fourteen 8,800-ton sailing vessels. A ship of that size can load so as to carry about 2,500 tons.

**Baltimore Firm Opens Trade with China.**—A Baltimore, Md., house is securing a large quantity of foodstuffs from China for disposal in the Baltimore market. The fact that the commodities were obtained in China at half their present cost in the United States is significant.

It has been the policy of the Baltimore Export and Import Board of Trade, of which William M. Britain is general manager, to encourage trade with South America, Australia, China, the West Indies and other countries unable at present to manufacture their requirements. The Export Board believes it is more advantageous to acquire such markets than to encourage trade with Europe.

**Floating Warehouses.**—Japan is using the "wooden ships" built to meet the war demand, as floating warehouses. Wooden shipowners have organized a concern known as the Marine Warehouse Company to carry out the plan to convert their vessels into warehouses and operate them. The concern is capitalized at Y.10,000,000.

Inability to obtain cargoes because of the post-war slump in Japanese shipping, and the difficulty in obtaining marine insurance on wooden ships, according to the advices, proved insurmountable obstacles to the operators of wooden vessels. The company is now engaged in establishing eight floating warehouses of 1,000 tons each in the harbor of Kobe. The ships are to be attended by three launches of 1,000 tons capacity each.

**France Creates Commercial Attache Service.**—The French Ministry of Commerce and Industries announces that the post of commercial attache has been created for Germany, Argentina, Belgium, Brazil, China, Spain, the United States, Great Britain, Italy, Russia, Poland, Rumania and Switzerland. The post of commercial agent has been created in Germany, Finland-Esthesia, Hungary, Italy, Japan, Persia, Portugal, Czechoslovakia and Servia.

**Attacks on British Trade.**—Towards the end of May a telegram was received by the Shanghai British Chamber of Commerce from the Hankow British Chamber of Commerce stating that serious attacks on British trade were being made on the Upper Yangtze and asking the Shanghai Chamber to combine with it in a request to the British Minister for immediate arrangements for protection. The telegram was at once circulated to the General Committee of the Associated Chambers, which promptly took action.

**May Consolidate Chinese Arsenal.**—The Chinese military authorities are understood to be planning to remove the Shanghai Arsenal to Hankow and amalgamate it with the Hankow Arsenal, from the topographical and transportation viewpoint. With this as the general organ for the manufacture of arms in China, the desire is to place the arsenals at Canton, Tientsin, Tehchow and Kunghsien as branches of the General Arsenal.

**Cantonese Object to British Gunboat.**—The Canton authorities have communicated to the Canton British Consul-General their disapproval of British gunboats entering the East River. A British gunboat sailed into the river recently without first notifying the authorities concerned, and this has been the cause of correspondence between



the Canton Bureau of Foreign Affairs and the British Consulate-General. Doubtless, there was very good reason for the gunboat's appearance in the river.

**German Doctors for China.**—According to a Chinese Press report, a number of German doctors are shortly to return to China. They will be financially supported by a number of German capitalists whose aim it is to regain the Chinese trade which they formerly held.

**The East for Pleasure.**—"Americans, no longer attracted to Europe, are looking for a new field for recreation in the Orient," says G. B. Haynes, general passenger agent of the Milwaukee Transcontinental railway. Mr. Haynes predicts a big tourist and business travel to the Far East this year, which will pass through Seattle. He has made an extensive study of conditions in the United States, on which he bases his predictions of the large exodus to the Orient.

**Hongkong Men Retire. Attracted to America and Canada.**—Mr. George E. Anderson, U.S. Consul-General at Hongkong, in a report on Hongkong trade, says:—

Men of British nationality who are closing up their affairs with a view of retiring are in an immensely large proportion of cases preparing to go to the United States and Canada. They base their plans upon the fact that the United States at the present time is a more pleasant place to live in than any country in Europe; that taxes promise to be less than in any country in Europe; that returns from investments in the long run promise to be safer and better; and that life in the United States, on the whole, offers more attractions to men of their class than life in Europe.

**Hunan Opium Crop.**—According to information reaching the International Anti-Opium Association, a heavy poppy crop is expected in the western districts of Hunan this year. A tax is collected from the planters.

## COMMERCIAL

**Australian Embargo Lifted.**—A consular report from Sydney received at the Japanese foreign office states that the Commonwealth Government of Australia, under the date of May 19, announced the lifting of the embargo on the importation of the following goods into the Commonwealth: apples; beer and all other alcoholic beverages; perfumed water; biscuits and sweetmeats; eggs; fur; jewels and precious stones for ornamental purposes, and imitation ornaments; automobiles; medicine for wool cleaning; copper wire and copper wire rope; bicarbonate of lime.

**Kobe Imports Exceed Exports.**—Trade in Kobe during the second half of May amounted to Y.70,125,352, of which Y.16,715,022 of the amount was for exports and Y.53,420,330 for imports. The excess of the latter over the former amounting to Y.36,705,308, the total figures since the beginning of the year reaching Y.459,772,123. The excess of imports was principally due to an active importation of cotton, wool, oil, cake, iron and pulp, and a decrease in several important exports notably beans, starch, copper, rice, and paper. The export of hat braid, cotton yarn and sugar increased, however, as compared with the previous ten days. Warehouses are full of cotton and wool, which is accumulating.

**Hokkaido Flax in Strong Demand.**—Among the benefits Japan has derived from the war is the large amount of exports in flax, which is grown in Hokkaido, where climatic conditions are best suited to this plant. Orders from buyers in England, France and America, who formerly received their supply from Russia, are pouring into Japan, much to the alarm of the local consumers. The flax is exported in the raw condition direct to the foreign markets. Recently the local consumers have petitioned the department of agriculture and commerce to protect their interests, stating that a great amount of harm is being done to their trade. The authorities, appreciating the condition under which the local manufacturers are placed, intend to provide proper regulations in regard to the exportation of the raw flax, the production of which is gradually increasing under the favorable encouragement from the department of agriculture and the remunerative result of the culture to the farming class.

**French Embargo Hits Japanese Exports.**—Japan's export trade to France is seriously affected by the new French embargo list. Several of the chief Japanese exports are included, among others:

Porcelain, except imitation marble or semi-vitrified.

Strawbraid, hemp and timber.

Office equipment with the exception of stycographic instruments.

Cotton manufactures, including hosiery. Embroidered cotton, hosiery and ribbed or open worked stockings or socks do not come under the embargo.

**Japan's Tobacco Output.**—The report of the Japanese government Tobacco Monopoly gives the total sales for the last financial year as Y.174,520,000. The domestic consumption amounted to Y.172,413,000. The volume of cigarettes was as follows: With mouthpieces, 13,859,000,000; without mouthpieces, 2,799,000. The cut tobacco sales amounted to 7,205,000 *kwan*.

**Japan-China Trade Reviving.**—The trade with China at Yokohama, which for a long time was in an extremely depressed condition, is gradually reviving upon the statement of the anti-Japanese agitation in China and the return to normal trend of the price situation and exchange quotations, says the *Japan Times*. The stocks of marine products, which were especially affected by the anti-Japanese commercial boycott and the disadvantageous exchange situation, are being gradually disposed of with the growth of business. Every steamer running on the China line which experienced a long spell of slack business is now carrying a full cargo on outward trips. The China trade at Osaka and other ports is also gradually picking up.

**Japan's Trade with Asiatic Countries.**—The value of Japan's trade with Asiatic countries during the first four months of the current year amounted to Y.376,143,203 in exports and Y.490,588,835 in imports. Particulars:

	Exports. Yen.	Imports. Yen.
China	172,118,388	99,987,600
Kwantung	47,346,527	104,335,854
Hongkong	21,318,376	482,372
British India	57,836,629	221,351,613
Straits Settlements	15,549,136	7,619,464
Dutch Indies	42,233,348	35,318,640
French Indies	1,249,906	9,686,287
Asiatic Russia	6,810,492	1,511,512
Philippines	10,079,263	9,163,253
Siam	1,509,554	1,090,054
Other countries	82,587	42,186

**Want to Manufacture Oriental Oils.**—The industrial Bureau of the Seattle Chamber of Commerce is making plans to secure the manufacture in Seattle of a few millions of the \$35,000,000 worth of vegetable oils that reach that Pacific port from the Orient each year. Seven hundred and forty-eight cars of soap were consumed in the territory tributary to Seattle, last year, which, it is claimed, would make a local market for the Oriental oils manufactured if manufactured on the spot.

**Two Big Silk Cargoes.**—Two cargoes of raw silk, valued at \$11,000,000, arrived in Seattle during the third week of May from Japan and were rushed in special trains to manufacturing centres in the Eastern states. In addition, one steamer had 12,000 cases of oil and general merchandise. Seattle received 14,297,445 pounds of tea from the Orient during the sixteen months ended April 30 last, according to figures announced by the local collector of customs.

## AGRICULTURAL

**Locusts Ravage North China Crops.**—Following a severe drought, a plague of locusts is reported from several sections of North China. Much damage is being done to crops.

**Society of Planters.**—The Incorporated Society of Planters, with headquarters at Kuala-Lumpur, in the Federated Malay States, has been formed to promote the interests of planters and to advise those who may be thinking of taking up this branch of industry. The agent in London is Mr. Charles Watney, Courtfield House, Courtfield-road, South Kensington, London, S.W. 7.

## TELEPHONES AND TELEGRAPHS

**Market for Telephone Equipment, Antung.**—Although the entire population of Antung is only about 75,000, including 9,000 Japanese, there are two telephone systems, one for each nationality. The Japanese have the larger service, having 518 telephones and 600 miles of wiring, while the Chinese company has 288 telephones and 268 miles of wiring. Although this item is insignificant as to size, it illustrates the trend toward adoption of occidental devices.

**Wireless Stations, Mongolia.**—It is reported that the Marconi Co. is making arrangements with the Chinese Government to establish high-power stations in Peking, Urga Urumchi, and Kashgar, which will be able to communicate day and night with the India government station of Simla. There also are to be subsidiary stations in Uliassutai, Kobda, Sianfu, and Hami. It seems evident that well-informed people feel that these trade routes are of very great importance. If a railway is to be constructed from Kalgan through Urga to connect with the trans-Siberian, and the old routes to India are to be reopened, the situation in eastern Asia will be materially affected.

**Japanese Naval Radio Expansion.**—The estimates for radio expansion in the Japanese budget for the current year do not cover the overhauling of the Funabashi station, which must soon be done, as the apparatus is of the old German one-mast type, but only provides for the replacement of the sending and receiving profits. This is one



of three stations belonging to the Japanese Navy, the others being Hozan (Formosa) and the station at Sasebo, now in course of construction. It is anticipated that the navy will present a supplementary estimate to cover the construction and repair program considered necessary.

## ROADS AND HIGHWAYS

**Road Construction in the Amoy District, China.**—Construction work has been begun on a 7-mile stretch of the road from An-hai (north of Amoy) in the direction of Chuanchow, a city about 20 miles distant, to which it is planned to eventually extend the road. A contract has been placed in Manila for six or seven motor trucks for use for passenger and freight transportation when this highway is completed. There is also a project for a road from Shih-ma (west of Amoy) to Changchow, but the construction has not yet been commenced. Two wide roads have recently been completed in Changchow city, and it is proposed to open these to motor traffic.

**Road Building in Japan.**—The municipalities of Tokyo and Yokohama in conjunction with government officials recently announced that construction would begin immediately on the long-talked-of highway between the two cities. The road is to be 72 feet wide over a distance of 15 miles, with the principal bridges of steel. Another road project is expected to be undertaken early in 1920, to connect Kobe and Osaka with a highway 60 feet wide. Nine feet on each side is to be set aside for walks, finished with asphalt, and the main way will be surfaced with tar and clay.

**Road-Building Projects in Shantung.**—The outlook for the development of motor-vehicle trade in the Tsinan consular district, China, is in many respects bright. The Chinese postal administration is now using two motor trucks of American make, and will need more as its operations expand. A plan is under way to connect Tsinanfu with Lokou on the Yellow River, 4 miles distant. The daily traffic between these two points is about 80 tons one way and 150 tons the other. It is estimated that the service would be patronized by about 3,000 passengers per day. The Shantung provincial government is considering the plan of connecting the 102 counties of the province with motor roads; the project of building a road from Tsinanfu to Lungkou on the coast, with a possible extension to Chefoo, is being considered. This road would be approximately 200 miles in length. Part of its course would lie through a hilly country, but there are no particular engineering difficulties to be overcome. Not all these projects may be carried through, but even the completion of one or two of them would greatly affect the market for motor vehicles.

## BUILDINGS

**Building Construction in Malaya.**—Reinforced concrete is being adopted to a considerable extent in the Straits Settlements and other parts of Malaya in an attempt to solve the problem caused by the shortage of dwellings, and that it is used not only in building houses but in other ways, such as the construction of a ferryboat to convey wagons of the Federated Malay States Railway across the Johore Straits. The government has included in its program for the coming year a number of buildings and bridges, to be built largely of reinforced concrete. In the last few months considerable interest has been evinced in the manufacture of bricks and tiles, an industry that offers

good prospects. Under the present shipping conditions builders are looking to the United States for machinery and supplies for the installation of brick, tile, cement, and other construction materials.

**Japan's Home Insurance Business.**—Investigations by the Ministry of Agriculture and Commerce show that the number of home insurance companies at the end of April totalled 138 and the number of policies newly issued by them during the month under review stood at 604,360, the sum insured being Yen 3,919,794,000. Details:

	No. of Cos.	Sum insured during April up to the end of April	Sum insured (In Yen 1,000)
Life	41	54,878	2,289,229
Conscription	2	6,803	134,197
Accident	3	3,353	41,268
Fire	37	2,197,314	10,109,821
Marine	32	1,438,417	2,202,090
Transportation	18	217,778	57,343
Others	4	711	49,411
Total	138	3,919,794	19,984,341

**New Building, Singapore.**—Projects are under consideration for the construction of a large up-to-date building on the present site of the Singapore post office. The whole ground floor of this building, covering about 72,000 square feet, will be occupied by the post office and the remainder will be used for Government offices.

## MINES, MINERALS AND METALS

**Mining in the Foochow District.**—There are no mines in the Foochow district operated by foreigners, although it is thought that the introduction of foreign capital and modern methods would make mining profitable, as there are deposits of coal, copper, gold, lead, zinc, and molybdenum in Fukien. There are 21 native companies registered at the government mining bureau, some being in the course of organization, and some having closed down, owing to brigandage, or lack of money. Two of these claim to be producing 20 tons and 25 tons, respectively, of molybdenum annually.

**Fushun Coal Mine.**—A plan has been matured by the South Manchuria Railway Company to carry out more extensive working of the Fushun coal mine in ten consecutive years. The area of the coal field totals about 350,000 *tsubo* and the yield of coal therefrom is put at 100 million tons. In order to execute the plan, the Fushun railway station and the new city of Fushun will have to be removed. The company, it is said, has already notified the people living to that effect.

**Japanese Developing Iron Deposits at An Shan, Manchuria.**—A Sino-Japanese company has constructed a modern iron plant and coke ovens at An Shan, Manchuria, for developing the extensive iron-ore deposits of that vicinity. The furnaces and by-product coke ovens are of the German types, made near Dairen, in the shops of the South Manchurian Railway Co., which owns a controlling interest in this company. On account of its low grade, the iron ore will have to be concentrated before it can be successfully smelted. The concentration problem has not yet been solved. In connection with the plant, the company has just built a modern industrial town of occidental type at tremendous expense, all buildings

being of brick or brick and stone. The South Manchurian Railway Co. is most energetic in developing the resources of Manchuria. It maintains a geological survey bureau for determining the mineral deposits; a large, modern chemical research laboratory, a ceramic laboratory, and furnishes the financial backing for a large percentage of the Japanese industrial projects throughout Manchuria. Its extensive and well-equipped railway shops do a great deal of work of wide variety, not alone for the railroad itself, but also for the many industries in which the company is interested.

**Expiration of Korean Limitation.**—On August 28, the import and export duties of Korea come under the Japanese general tariff, with the expiration of the ten years' limitation contained in the annexation declaration of 1910. The British Board of Trade has notified British shippers that no extension of the old treaty rates is being sought.

**Japanese Copper Production and Sales.**—During the twelve months ended September 30, 1919, Japan's total production of copper was 83,997 tons. Of this amount, 24,077 tons were exported, China and the leased territory of Kwangtung being the chief buyers. Japan imported 13,866 tons of copper during the period October, 1918—September, 1919. Details of exports:

To—	Jan.-Sept., 1919. Tons.	Jan.-Sept., 1918. Tons.
China	12,015	4,470
Kwantung	1,023	227
Hongkong	415	159
British India	935	1,779
United Kingdom	302	5,417
France	141	6,976
Italy	1,859	3,029
Other countries	47	2,178
Total	15,756	24,235

**Antimony Production, Hunan.**—The larger part of the antimony produced in China comes from Hunan Province. Since the passing of the war period of high prices, local smelters have closed down and production considerably fallen off. This would seem a good time for American users of antimony to investigate the possibilities in this field.

**Tungsten in Burma.**—Because of the war-time demand for wolfram, the production in Burma increased during the years 1914-1918, although the methods and machinery used were crude. It is thought that when the figures for 1919 are published they will be found considerably less than for the previous year owing to the curtailment of operations in the mines, due to the fall in the price of wolfram ore.

**Magnesite and Talc in Manchuria.**—It is reported that the magnesite deposits in Manchuria are sufficiently well proven up to show that they are extensive, and have a great potential value. The magnesite is for the most part too pure to use for making bricks without the admixture of 7 to 8 per cent. of iron. The Japanese own the larger part of the deposits, but the Chinese still have considerable areas under their control. Associated with the magnesite are numerous deposits of talc, which may be favorably compared with the high-grade French talc, but which have not yet been extensively developed. All of these deposits are from 3 to 10 miles from the South Manchurian Railway. There are large deposits of high-grade talc near Tashih Chiao, South Manchuria, China. The crude material can be delivered at the dock ready for shipment, in bulk, at about \$7.25 per ton, or in strong sacks at about \$9 per ton.



**Phosphate Reserves of Pacific Islands.**—According to a memorandum laid on the table of the New Zealand House of Representatives by the President of the Board of Agriculture, the reserves of phosphate of the Island of Nauru in the Pacific are sufficient to meet the demands of the world for 200 years. Information obtained from a reliable source, says the Board of Trade Journal, indicates that anything from 80,000,000 to 100,000,000 tons are available, and possibly more. The quality of the phosphate is said to be of the highest grade (85-86 per cent.), and it is claimed that this island contains the largest known quantities of high-grade phosphate in the world. The present output of the island has been somewhat interfered with by the war, but the average yearly production is in the neighborhood of 150,000 tons.

There are several phosphate islands in the Pacific, these including Ocean Island, where the Pacific Phosphate Co. has the mining rights, this company also holding an interest in a French company which works the Makatea Island deposits; Christmas Island; Angaur Island, which, according to a German authority, contains 2,500,000 tons ranging from 81 to 83.5 per cent., though another authority places the available phosphate between 300,000 and 600,000 tons; Surprise Island; Clipperton Island, Walpole Island; and Malden Island. Christmas Island, referred to above, must not be confounded with an island of the same name near Java.

**Capital Wanted for Chinese Asbestos Mines.**—Outside capital is being sought for the development of a number of asbestos and tungsten mines near Paotingfu. The available monthly output is estimated at between 100 and 200 tons. Other deposits in the vicinity of Liangkochwang are for sale. The fiber is about eleven-sixteenths foot in length, of which it is understood about 30 tons are available monthly, in addition to 30 tons of a grade little better than waste.

**Copper Market in China.**—In 1918 over 8,000 short tons of copper ingots and slabs, valued at about \$5,000,000 were imported into China, and it is known that the figure for 1919 will be much greater, as over 14,000 tons were reported as imported during the first nine months. Practically all of this copper, which was minted into coins, was Japanese, although a limited amount of American copper was sold to China by Japanese dealers. The local production is about 2,000 tons annually, and so far as is known, none of the deposits have been extensively worked.

## AUTOS, MOTOR TRUCKS AND TRACTORS

**Motor Vehicles in Siam.**—While the number of licenses issued for motor-cars in Siam now exceeds 1,200, the number in daily use, according to Vice-Consul Carl C. Hansen, Bangkok, may not exceed 800, of which most are for private use, few trucks or other commercial and passenger motor vehicles being employed, owing to cheap water transportation. The importation of motor-cars for the fiscal year ending March 31, 1919, totaled 10 more than in the previous banner year 1916-17, or 170, of which the United States furnished 160, the United Kingdom 4, and 6 from other ports. During the four-year period ending March 31, 1919, there were imported 539 cars, of

which 469 came from the United States, 53 from the United Kingdom, and 17 from elsewhere. In the motor-cycle field American makes have not captured such a large portion of the trade, for of the total of 277 imported during the six years ending March 31, 1919, only 46 were from the United States, while 184 were from the United Kingdom and 47 from all other countries.

**Motor Transport, Singapore.**—The introduction of a municipal motor-transport service in Singapore will be accomplished soon. Five of the vehicles for this service are on their way out from Europe. It is also hoped gradually to replace the jinricksha service with motor busses.

**Japanese Subsidize Motor Trucks.**—The Japanese are fully aware of the advantages of motor transport, says a letter to L. M. Field, Inc., Selden truck representative for the Pacific coast. The question of roads is attracting wide attention, and it is probable that the next few years will see great improvement in road construction in Japan. The Japanese government has granted bounties to encourage use of the motor truck. About 99 per cent. of the motor vehicles imported into Japan in 1918 were of American origin.

## BRIDGE AND STRUCTURAL STEEL

**Kalang River Bridge.**—A new bridge is being built over the Kalang River, which is expected to relieve the transport difficulties of the Straits Settlements colony somewhat.

**Causeway, Johore.**—A beginning has been made toward the construction of a causeway across the Straits of Johore to take the place of the present ferry service. When it is completed it will provide a through service between Singapore and Penang, and also between Singapore and Bangkok, Siam, which is so much desired.

## NEXT TO THE SKIN

**A "Pillow-Fight," Canton Style.**—In Old Canton, a "pillow-fight" is not so innocent or harmless a sport as it is in Canton, Ohio, or the other two dozen and more Cantons of U. S. A. You see, in Old Canton, the pillow is china (which is quite "proper custom" in China) and it is usually both hard and heavy. Lee Chong, a polite but luckless gambler, lost his last cash piece over a game of fan-tan. His uncle, Yau Lum-cheung, keeps a store and much money on Tai-tak-kai street. Lee Chong helped himself to his uncle's money, lost it and returned home in a bad temper, indeed. The uncle was sitting on the floor, reading from the classics how to deal with a nephew who is taking the downward path. He was quite happy in the company of Confucius. Lee Chong saw that his theft was discovered, so he snatched up his pillow and brought it down upon Yau Lum-cheung's upper story. The pillow broke into fragments, but the old man was still defending himself with the Analects when neighbors and a policeman joined the cast. All the performers are now in hospital, where Lee Chong sleeps on a china pillow supplied by the authorities of Canton.

**Profiteering in Excelsis.**—An instance of profiteering which makes all others look quite trivial has just occurred locally, says the (Shanghai) *North-China Daily News*. It is in connection with house rents, and is probably as callous an example of greed and iniquity as can be quoted. A lady in occupation of a flat, for which she paid a monthly rental of Tls. 75, was informed some four months back that the following month her rent would be raised to Tls. 150. Having no lease, and knowing the difficulty of obtaining another house, she was powerless, and had to agree to the new figure. Towards the end of the next month, the landlord announced that the rent would be raised to Tls. 200, and being in the same predicament the occupant paid the higher sum. Before the expiration of the third month the landlord announced that the rent would be raised to Tls. 300. On this occasion the lady left: the payment of 300 per cent. additional rental was altogether too much for human endurance. The unfortunate part of the business is that the landlord has a tenant who is now, presumably, paying this exorbitant figure. It is understood that the landlord is a Chinese, although the property is naturally registered in a foreign title.

**Japan Has Found An Enoch Arden.**—A Matsuyama dispatch says that a letter has been received from a man reported killed in the Russo-Japanese war in North Manchuria, by his supposed widow, who has been married to a second husband for nearly 10 years. A sergeant named Jinkichi Onishi has been missing since the battle of Liao-yang. The authorities as well as the family of the soldier naturally concluded that he had been killed in the field, and funeral ceremonies were duly observed for him at that time. His "widow" subsequently married again, two children being born to the second husband. Now, nearly 17 years since the "death" of her first husband was reported, and much to her amazement, she has heard from him, the writer reporting himself as safe in an hospital in Petrograd. According to his letter, at the time of the Russo-Japanese war, he was captured, and has ever since been imprisoned in a dungeon, which he was never allowed to leave until, after 17 years' confinement, he felt ill and was removed to the hospital in Petrograd.

**An Alluring Opportunity.**—The following is an extract from *John Bull*: "An advertisement in the newspapers, issued by the Crown Agents for the Colonies at Millbank, S.W., offers a salary of £200, rising to £230 by annual increments of £15, and a war bonus of 15 per cent., for a Sanitary Inspector required by the Government of Weihai-wei. The contemplation of this stupendous emolument rouses an Aberdeen man to scathing scorn. Anyone who applies for this job, he says, should be given a free passage to the asylum, not to China."

**Gloves a Luxury.**—A number of Hongkong women want to know whether they will be considered disrespectful if they venture into the portals of Government House on a State occasion without gloves. Gloves, at present prices, are a luxury, almost beyond the dreams of avarice for any but the rich, and after all the rich will be in the minority when the Governor and his lady entertain the loyal subjects of Hongkong on His Majesty's birthday. Eight dollars a pair, four eights are thirty-two! Think of it. Thirty-two shillings odd for an unnecessary adjunct of a woman's toilet—and a very perishable adjunct. Most of us have cut gloves out of our scheme of dress. The very thought of them makes my arms break out in anticipatory prickly heat. This climate is not conducive to ceremonials what we want in Eastern climes is simplicity.—*Hongkong Daily Press*.